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P.15 CITY SPECULATORS The herd that suddenly bolted

BOOKS P.10 Richard III 500 years of controversy

SPORT P.13 A windmill revolution in yachting

NEWS SUMMARY

GENERAL

Posnett quits as Bermuda Governor

Sir Richard Posnett has resigned as Governor of Bermuda, after denying allegations of irregularities in his expenses.

He was recalled by the Foreign Office last month after the Bermuda Government, which pays Government House expenses, claimed he entertained private guests with official funds.

He said publicity for these claims made it impossible to carry on with the job. Page 3

Lebanon killings

Gunmen killed six Lebanese soldiers and wounded 12 in an ambush 40 miles east of Beirut. Page 2

Walesa 'plot'

Rome magistrates began interrogating a former Italian trade union official over an alleged Bulgarian-inspired plot to kill Lech Walesa. Page 2

Third wrong raid

West Midlands detectives raided the home of a widow in her 70s by mistake—their third such error this week.

Boat race row

A row over whether Oxford oarsman Boris Rankov, a research fellow, is a student is threatening next month's boat race against Cambridge.

Nobblers jailed

Eight people were jailed at the Old Bailey, one for seven years, for trying to bribe a jury in a burglary case.

Alliance delay

Liberal leader David Steel said he and SDP leader Roy Jenkins had postponed the idea of choosing a "Prime Minister designate" for the Alliance.

England lose

Pakistan (225/6) beat England (219/9) in a one-day charity cricket match in Sharjah.

Uganda warning

The National Resistance Army, a Uganda guerrilla group, warned foreigners to leave the country as it planned to step up operations around Kampala.

Burglary award

Londoner Anthony Dove was awarded £6,074 damages against the company which installed a security gate at his home. Burglars got through it in 10 minutes but were scared off by a nanny singing Onward Christian Soldiers.

Militant

Hordes of Argentine ants, driven by drought, are invading Johannesburg homes. They especially like eating bread and soap.

Briefly . . .

French couple made the first Mediterranean crossing by hot air balloon.

A man was feared dead and 22 were saved from a blazing cargo ship off Sicily.

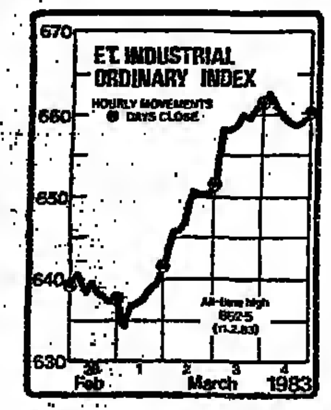
Georges Remi ("Herge"), Belgian cartoonist who created Tintin, died at 75.

BUSINESS

Gilts strong; dollar weaker

● GILTS were in demand on enthusiasm for lower UK money market rates. Longs gained up to 1½, shorts were up by ¼. Page 22

● EQUITIES remained strong but were affected by late profit-taking. The FT Industrial



Ordinary Index reached an early peak of 662.8 but closed 1.3 down at 660.3. Page 22

● DOLLAR fell to DM 2.404 (DM 2.425), FFr 6.82 (FFr 6.874), SwFr 2.044 (SwFr 2.053) and Y236 (Y236.25). Its trade-weighted index was 119.9 (120.2). Page 19

● STERLING fell 5 points to close at $1.5125. It was also weaker at DM 3.64 (DM 3.67), FFr 10.315 (FFr 10.405), SwFr 3.095 (SwFr 3.11) and Y357 (Y358). Its trade-weighted index was 79.6 (79.8). Page 19

● GOLD fell $17.5 to $412.5 in London. In New York the Comex March settlement was $417.6. Page 19

● WALL STREET was down 2.22 at 1135.84 near the close. Page 18

● SHARE PRICES on the Frankfurt Stock Exchange set a record for the second successive day before tomorrow's elections, as the FAZ-Aktien index rose to 273.94. Page 18

● SPAIN appointed two special prosecutors to study possible criminal action against former management officials of Rumasa, giant holding company taken over by the state last week.

● U.S. put forward new proposals to stiffen export credit terms in Paris this week. Page 2

● WORKING PARTY was set up to phase out time-served apprenticeship in the engineering industry. Page 3

● ZANUSSI, Italian home electrical goods producer, denied reports of financial difficulties but forecast a loss of about £47m. Page 21

● THOMSON-BRANDT, French state-owned electrical group, appears resigned to the likelihood that its bid for Grundig, West German electronics manufacturer, will be turned down. Back Page

● NEWS CORPORATION, Australian-based publishing group headed by Rupert Murdoch, reported a sharp increase in interim profits. Page 21

● AULT WIBORG, printing ink and paints manufacturer, announced an overall loss of £98,000 for 1982. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Excheq. 10¼% '87 A (£30 pd)	£29¾	+ ¼	Arlen Elec.	316	− 7
Excheq. 12¼% 1999	£107¾	+ 1⅜	Ault & Wiborg	30	− 3
Applied Computer	400	+ 15	Crouch (D.)	85	− 10
Bell & Sime	168	+ 38	Inter-City	30	− 4
Booker McConnell	70	+ 5	London & Liverpool	410	− 25
Brooks Watson	44	+ 6	Polly Peck	£15	− ⅞
Carlton Communications	343	+ 18	Acorn Secs.	112	− 20
Costain	212	+ 8	Ashton Mining	66	− 6
Courtney Pope	88	+ 6	Cons. Gold Fields	497	− 10
Fisons	558	+ 7	East Rand Prop.	£13¾	− 1⅞
Ford (M.)	25	+ 4	F. S. Geduld	£27¼	− 3½
Hambro Life	316	+ 16	Harmony	£12⅞	− 1⅜
Hepworth Ceramic	139	+ 5	Hartebeest	£46¼	− 3½
Jones Stroud	118	+ 8	Pancontinental	80	− 8
News International	138	+ 13	Poseidon	273	− 17
Pleasurama	343	+ 28	President Brand	£28⅞	− 2⅛
Porter Chadburn	77	+ 12	Randfontein	£82¼	− 3½
Spirax-Sarco	210	+ 15	South African Land	468	− 53
Thorn EMI	492	+ 5	Vaal Reefs	£66¼	− 4¼
Waring & Gillow	94	+ 8	Winkelhaak	£25	− 2¼

PRESSURE GROWS TO SETTLE PRODUCTION QUOTAS

Opec ministers still divided

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

MINISTERS FROM the Organisation of Petroleum Exporting Countries were still some distance from clinching an agreement on oil prices and production last night after two days of talks in London.

They have given themselves another 48 hours for consultations before the next session of negotiations on Monday when all 13 Opec members are expected to be present.

Several ministers expressed optimism after yesterday's informal session which involved eight delegations. Sr Humberto Calderon Berti, the Venezuelan Energy Minister, insisted that talks were moving forward, but members of other delegations reported "quite serious" difficulties over production sharing.

"Because of the risk of a price war breaking out if we fail here in London is determined to avoid a breakdown," said a member of one delegation last night. "We are quite prepared to stay on here for several days yet. Certainly no-one wants to be the first to say that they are packing their bags."

The pressure for a decision will intensify with the expected arrival of the remaining five members of Opec who have been invited to join the talks. Dr Mana Said al-Oteiba, the United Arab Emirates Oil Minister, said that if Monday's talks went well the meeting could become a formal Opec session empowered to take binding decisions.

Groups of ministers will be meeting today and Sunday on the issue of production quotas. Several formulas are being discussed involving production ceilings for the organisation ranging downwards from 17.5m barrels a day.

But with current Opec output running at less than 14m b/d and no sign of an end to destocking by customers, a consensus appears to be emerging that at least for the next three months a target of 16.5 would be more realistic.

Iran, which is sending a delegation to Monday's talks, appears determined to frustrate the hopes of a successful outcome. It is demanding a 3m b/d production quota and is resolutely opposed to any reduction in the $34 benchmark price for Saudi light crude.

Mr Hossein Mousavi, the Iranian Prime Minister, yesterday described the Opec negotiations as "a plot." At a Friday prayer meeting in Tehran he said: "With this hollow plan they think that by putting pressure on us they will bring us to our knees at this sensitive moment when we are at war."

He accused Saudi Arabia and other Gulf states of "sitting and planning and plotting."

According to some reports, Sheikh Ahmed Zaki Yamani, the Saudi Oil Minister, has said that his country needs an additional output of 700,000 b/d just to compensate Iraq for its lost production due to the Gulf war. Saudi Arabia has been Iraq's principal financial supporter during the war.

Opec ministers had no further meetings yesterday with Mr Nigel Lawson, the Energy Secretary, but remain anxious to draw non-Opec members into an understanding on pricing and production.

Sr Bernardo Sepulveda, the Mexican Foreign Minister, said his country would not be joining Opec but was anxious to cooperate with the organisation.

If Opec was to cut its reference price as planned by $4 a barrel, Mexico would follow with cuts of between $2 and $2.50 a barrel, he said. Sr Sepulveda, who is on a visit to Tokyo, said Mexico wished to maintain an "oil export platform" of 1.5m b/d.

Editorial Comment, Page 14; North Sea spectre, Page 3

The gold price, which had been recovering from last weekend's $100 tumble, suffered a setback in London yesterday morning. In an exceptionally protracted fixing session, lasting about 90 minutes, the price slipped nearly $20 below Thursday night's London close of $429½ and the New York close of $430.30.

Although the morning fix ended with a price of $415½, later trading was at lower levels and the bullion price closed in London at $412½. Dealers said that the large selling orders seen in the morning had exposed the market's weakness and it seemed likely that the $400 level—briefly crossed in panic selling at the start of the week—might soon be tested again.

Oil price worry squeezes Budget tax cut plans

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE TAX "give-away" planned for the Budget on March 15 has been squeezed to £1.5bn-£2bn as a result of oil price uncertainty, and the largest benefit is now likely to be for income tax payers.

The main measures are likely to be the raising of income tax allowances and thresholds by 4-6 percentage points above the rate of inflation and an increase in the child benefit in real terms. Industry will gain by some specific measures to encourage investment, but a further cut in the Employers' National Insurance Surcharge is now unlikely.

Taxes on drink and tobacco will go up—but possibly by slightly less than the inflation rate.

The Treasury and Downing Street are still arguing about whether to give help to house-owners by raising the £25,000 limit for mortgage interest relief to £35,000.

A final decision on the Budget details will not be taken until Thursday, when the Treasury hopes it might have a clearer idea about future oil price trends.

The Treasury is working on plans for tax cuts which would add about £1.5bn to Government borrowing in the next financial year, compared with the £2bn-£2.5bn which was being discussed before Christmas.

After allowing for the "feed-back" of extra revenue generated by increasing public borrowing, Sir Geoffrey Howe, Chancellor of the Exchequer, will probably have a little under £2bn to "give away."

His borrowing target for 1983-1984 is likely to be between £8bn and £8.5bn.

At the present sterling-dollar exchange rate and with an oil price of $30.5 per barrel, the Government's North Sea revenue in the 1983-84 financial year would be a little under £10bn, or about 7 per cent of total revenue.

However, a fall in the oil price to $25 per harrel would wipe about £2bn off the Government's oil revenue. Against this, a 10 cent fall in the pound's value would raise the sterlin[g] value of the revenues by ab[out] £840m.

Given these uncertainties [the] Chancellor is likely to lay m[ore] than usual stress on the unc[er]tainty of his forecast for pub[lic] borrowing. If the oil price a[nd] the dollar seemed set to weak[en] simultaneously, he would acc[ept] an increased public borrow[ing] figure rather than jeopard[ise] his already slimmed-down concessions.

However, weaker oil pri[ces] are likely to stimulate the wo[rld] and UK economies, and [the] Treasury is likely to fore[cast] output growth of about 2 [per] cent this year.

The Chancellor's measu[res] are likely to focus on incre[ases] in income tax allowances [and] thresholds, with rises of ab[out] 10-12 per cent likely, and [per]haps slightly higher concessi[ons] in the lower bands.

A cut in the basic rate [of] income tax now appears [un]likely, unless oil price prosp[ects] look much firmer towards [the] end of next week. A change [in] the rate of value added tax [has] been firmly ruled out.

Sir Geoffrey is likely to st[ate] that raising the specific du[ties] on alcohol, petrol and toba[cco] by the December inflation r[ate] of 5.4 per cent would amoun[t to] a slight concession. Althou[gh] the annual rate will fall at [the time of] the Budget to perhaps less th[an] 4 per cent, an upward drift [is to] be expected for the rest of [the] year.

The Treasury will proba[bly] forecast inflation rate of ab[out] 6 per cent for the final th[ree] months of 1983. The Chance[llor] could therefore make a sm[all] concession to smokers [and] drinkers by raising duties [by] only 4 to 5 per cent. He will [be] tempted, however, to r[aise] petrol and diesel fuel duties

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£ in New York

	Mar. 3	Previous
Spot	$1.5150-5165	$1.5105-[illegible]
1 month	0.34-0.29 dis	0.36-0.3[illegible]
3 months	0.91-0.86 dis	0.94-0.9[illegible]
12 months	2.05-1.90 dis	2.10-2.0[illegible]

NCB and BSC leadership in doubt

BY IAN RODGER AND JOHN LLOYD

MR IAN MacGREGOR and Sir Alistair Frame are expected to decide next week to decline the chairmanships of the National Coal Board and the British Steel Corporation respectively.

Both men have been under considerable pressure to accept the positions from the Prime Minister's office.

Mr MacGregor, 70, is being urged by his family to retire and return to the U.S. He is also aware that the atmosphere surrounding his possible entry to the coal industry would not be as propitious as that when he arrived at BSC nearly three years ago.

At the time BSC was just emerging from a devastating strike and demand was plunging. The trade unions were demoralised and the Government was prepared to take the most drastic action. Mr MacGregor, who was expected to preside over a rundown of the industry, quickly disarmed all opposition by proposing instead to try to save most of it by making it more efficient.

The coal industry's financial position may be worse than that of BSC, but there is no sense of rapid deterioration or crisis, and the National Mineworkers' Union is much stronger than the Iron and Steel Trades Confederation.

It is widely believed that Mr MacGregor would want to make dramatic cuts in manning at the NCB to improve productivity just as he did at BSC, but it seems doubtful that he would get anything like the same level of compliance from the workforce that he got at BSC.

Senior coal board managers are showing considerable hostility to the proposed appointment of Mr MacGregor. They believe his reputation and his presumed brief to close pits rapidly would severely damage an industry in which industrial relations have traditionally been consensual.

They also believe that the person appointed to succeed Mr Norman Siddall, who is retiring as NCB chairman this summer, should be much younger than Mr MacGregor. They consider that the new chairman should be given at least five years to bring some stability to the industry and manage the difficult negotiations with Mr Arthur Scargill, the mineworkers' leader.

Sir Alistair Frame, 54, has been deputy chairman and chief executive of Rio Tinto-Zinc since 1978. Although passed over for the chairmanship in 1981, he still has several years in a strong position to look forward to within the big mining finance house.

The job of the next chairman of the BSC will be made more complicated than now because the Government is determined to include in his terms of reference a requirement that much, if not all, of the corporation be returned to the private sector.

There has been little speculation so far about other possible candidates for these posts. As in the case of the appointment of the new Governor of the Bank of England two months ago, the MacGregor and Frame proposals have come directly from the Prime Minister.

Bankers study 'lifeboat' scheme

BY ALAN FRIEDMAN, BANKING CORRESPONDENT

PROPOSALS TO establish an international agency which could help banks which have made loans to problem debtor nations are being considered by a number of senior commercial and central bankers.

It was stressed yesterday that the proposals, under discussion in London and New York, are so far only preliminary. But the Bank of England is being kept informed of the scheme's progress and is understood to be taking an interest in its evolution.

Most of these "lifeboat" schemes envisage some sort of supranational agency, possibly under the aegis of the International Monetary Fund, which could purchase portions of sovereign loans, probably at a discount, from commercial banks. This would ease the burden on banks—particularly the smaller institutions—which are carrying loans with little prospect of early repayment.

One banker who has been at work on such a scheme is Mr Felix Rohatyn, a partner at Lazard Freres in New York and chairman of New York's Municipal Assistance Corporation.

Mr Rohatyn last night described many of the loans to debtor countries as "very long-term loans" and recommended the establishment of an international agency to assist banks.

"The best thing for the West would be to push oil prices down as far as possible without having to worry about the viability of the

Continued on Back Page

Merrill Lynch in currency probe

BY PAUL TAYLOR IN NEW YORK

MERRILL LYNCH, the major Wall Street brokerage firm, confirmed yesterday that it was "co-operating fully" with a U.S. Government request for documents related to currency transactions by customers.

The U.S. Internal Revenue Service is investigating possible criminal violations related to the way Merril handled big cash transactions, says the National Law Journal, a New York publication in a report due to be published on Monday.

The article says that the investigation is focused on Merrill's New York office. It follows the apparent discovery by Washington revenue investigators of "wide discrepancies between the number and amount of cash transactions in excess of $10,000 (about £6,650) reported by the brokerage firm and the number and amount of similar cash transactions reported by banks which handle the company's accounts."

Grand jury subpoenas were served on the company in New York in January for its 1981 banking records, a time period when the National Law Journal says the apparent discrepancies in one area of New York alone totalled about $8.5m.

Merrill Lynch issued a statement yesterday confirming that documents had been requested. The brokerage house said: "Merrill Lynch is aware that the U.S. attorney requested documents related to currency transactions by customers."

Merrill Lynch added: "The company is unaware of any instances where we have not fulfilled our reporting obligations."

It also said that it was "co-operating fully with the Government."

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For latest Share Index phone 01-246 8026

Italian questioned on Walesa 'death plot'

By John Phillips in Rome

ROME magistrates yesterday began interrogating a former official of an Italian trade union, one of eight people suspected of involvement in an alleged Bulgarian-inspired plot to murder Lech Walesa.

Sig Salvatore Scordo, who until two years ago worked in the international office of the Socialist-backed trade union federation UIL, was interviewed by state prosecutor Ferdinando Imposimato after receiving a judicial letter informing him he was under investigation for the alleged plot to kill the Polish labour leader with a car bomb during a visit Mr Walesa made to Rome in January 1981.

Most of the other suspects who received judicial letters this week are already well-known for their purported role in the so-called Bulgarian connection with the assassination attempt on *Pope John Paul II* on May 13 1981.

They were identified as: Mr Mehmet Ali Agca, the Turkish terrorist sentenced to a life prison sentence for *his part in* the papal shooting; Mr Sergei Ivanov Antonov, the Bulgarian airline employee arrested in Rome on November 25 on a charge of complicity in the attack on the Pontiff in St. Peter's Square; Mr Luigi Scricciolo, the former head of the UIL International Office arrested last year on a charge of belonging to the Red Brigades; and three officials of the Bulgarian Embassy who are now in Sofia.

The position of an eighth person reported to be involved in the case, a member of the Press office at the Italian Ministry of Labour, was not clear after she denied reports she had received a judicial letter.

The suspects were named just as the trial of two Italian tourists accused of espionage opened in Sofia.

These latest developments have further strained relations between Italy and Bulgaria. The Italian Government has come under pressure from three of the four parties in Prime Minister Amintore Fanfani's coalition — the Socialists, Social Democrats and Liberals — who want to break off relations with the Communist state. The two countries have already recalled their respective ambassadors.

Italians are following closely the trial in Sofia which yesterday entered its third day after being restarted following an adjournment last year. One of the Italian citizens charged with military espionage, Sig Paolo Farsetti, has pleaded innocent but the other, Sna Gabriella Trevisin, has admitted taking photographs of military installations.

Rome has gone on record as saying the Bulgarian connection with the papal shooting exists without doubt. Sig Lelio Lagorio, the Socialist Defence Minister, called the attack on the Pontiff "an act of war in *peacetime*."

Magistrates have not made public their cases in either of the two investigations in Italy. Bulgaria has denied all charges of implication in the attempt on the Pope's life and some Italian politicians suspect the Socialists of exploiting the case to win popular support.

Mr Agca, however, told investigators he was recruited by the Bulgarians, offered money and assisted by Mr Antonov and two Bulgarian Embassy officials.

Australia's Mrs McHugh hopes for a brilliant career

BY MICHAEL THOMPSON-NOEL IN SYDNEY

IT IS 11 am, and the weather promises to be hot. The sun has finally burnt the mist off Bondi Beach, and the surf is looking good. The lifeguards are on duty—improbably fit and haughty—and from left to right, across the broad reach of Bondi, there is a bikinied expanse of slowly-toasting flesh.

To the south of Bondi, though not far away, are Coogee and Lurline Bay—to the west, Randwick, with its celebrated racecourse and bougainvillea-clad terraces.

In about an hour, you can see the lot, for together they comprise the federal constituency of Phillip, Australia's smallest (about 10 kilometres square), as well as the most populous.

If the pollsters are right, Phillip will fall today as part of a general election swing to Labor which, by about midnight, will have seen the fall of the Liberal-National Party Government, and its displacement by Labor.

Indeed, if the polls are correct, it will be in the cities (particularly Sydney and Melbourne), and not in the towns and bush, that the real battle will be fought. That is why the government this week blitzed the metropolitan marginals.

Overall, the Australian Labor Party needs a uniform swing of 1.4 per cent to gain the 11 extra seats needed for power, which ought to be within its compass, given that *virtually* all opinion polls show it to be leading by about 7 to 10 per cent.

At Phillip, Labor needs a swing of about 400 votes, or 0.7 per cent, which makes it one of the coalition's most marginal seats—along with Wilmot (Tasseats—along with Wilmot (Tasmania), Kingston (South Australia), Barton and Riverina (New South Wales), and Herbert (Queensland).

The Labor candidate at Phillip is Mrs Jeannette McHugh — a calm charmer, who is a mother of three and married to Mr Michael McHugh, a former clerk at Broken Hill Proprietary but now president of the NSW Bar council and appearing for Mrs Lindy Chamberlain, who is *appealing against* conviction for murder of her baby in the famous "dingo" case.

Mrs McHugh used to teach French, which was helpful recently, in Coogee Bay Road, when a Frenchman shouted: "Not Labor, not after Mitterrand." She chase him up the street, and returned a bit flustered.

Opinion polls suggest the Australian Labor Party and its new leader, Mr Bob Hawke, have a lead of between 7 and 10 per cent. Labor needs 11 extra seats to gain power. A uniform swing of 3 per cent to Labor would give it 22 extra seats, while *1 or 2 per cent* would give it 15 new seats. The present parliamentary line-up in the House of Representatives is 73 seats to the coalition partners, 52 to Labor.

Government strategists claimed last night the coalition could scrape back in with a three-seat majority, but conceded the Government faced a tough struggle to overcome the lead built up by Mr Hawke.

The share market seems to have accepted the likelihood of a Labor win. The All-*Ordinaries* index recovered by almost 1 per cent yesterday, to 512.5 points, and is only 3 per cent below its level on February 3, when Prime Minister Malcolm Fraser called the election. The Metals Index is actually 2 per cent up.

Victory for Mrs McHugh at Phillip tonight would make her the first woman ever to win a NSW federal parliamentary seat, despite the fact that Australia was one of the first countries to introduce full adult sufferage. "Journalists are not sure how to approach me," she says. "The only women politicians they can think of are Mrs Thatcher, Mrs Meir, and Boadicea."

She is termed a left-winger, mainly because the NSW branch of the Labor party is notoriously right-wing, and says she is categorically opposed to mining, production and export of uranium. This has not been a large election issue, though it could cause headaches for Labor eventually.

Mrs McHugh says the key issues at Phillip have been national — "unemployment, inflation, and interest rates." She says the unemployment rate in the constituency is about 13 per cent, and is worried because very shortly after he called the election on February 3, Mr Malcolm Fraser, the Prime Minister snapped the electoral rolls shut, which may have disenfranchised large numbers of the young and out-of-work.

She is a long-standing admirer of Mr Bob Hawke, the new Labor leader, whose charisma and skilful campaigning in the past four weeks have been the most formative electoral factors.

"People trust his strength and determination. He is on everyone's level. It's an exact contrast to Mr Fraser, who is aloof from real life, from real people," she said.

"The man in the pub feels he's Bob's mate. Businessmen feel that they are at ease with Bob Hawke. Perhaps it's down to his lack of reserve. People know he was a knockabout fellow in the pubs, they know him as a trade unionist. They know, too, that he is extremely well-qualified academically, and that he loves to get in there and fight.

"The only weaknesses that have been brought up are whether he's too emotional, whether he could be unstable, or likely to crack. Now you've watched his campaign. Not only has he never cracked, but he's been performing brilliantly."

The sitting Liberal member is Mr Jack Birney, who is 54 and dyes his hair but is something of a street fighter. He says he is the first member of the Australian Parliament directly descended from the settlers who landed from the First Fleet, and is regarded in Coogee as a bit of a lad.

Yesterday, he told me: "The greatest single lie (told by Labor) is that Fraser's policies are responsible for massive unemployment. Australia is a trading nation, and must sell its goods. Thanks to the wages explosion, Australia is pricing itself out of the market. People seem mesmerised by Hawke, but the Socialists will murder this country."

Signing papers rapidly all the while we spoke, Mr Birney finally seemed interested to hear I came from England. "Do you now?" he asked. "Find it hot? Think of what England lost when it lost Australia. You could have had kangaroos, koalas, wallabies—the Sydney Harbour bridge."

On which Lewis Carroll note, it was back into the sun, and the heat and dust of Bondi.

Pym refuses information on defence of Belize

MR FRANCIS Pym, the British Foreign Secretary, yesterday refused an urgent request from the Foreign Affairs Committee of the House of Commons for details of Britain's defence commitment to the Central American state of Belize, which achieved independence 18 months ago, Hugh O'Shaughnessy writes.

He also reserved fully the government's right to sell weapons to any state in the region. Rejecting the Committee's call for arms control measures, Mr Pym said: "The Government's freedom for manoeuvre *is* constrained by the attitudes and policies of our competitors." He also warned of Soviet arms sales efforts in the area.

Salvador poll date

The Salvadorean Constituent Assembly has agreed to a U.S. suggestion to advance the date of the general elections from March next year to December 10, our Latin America correspondent writes. The decision is subject to ratification by the Central Electoral Council.

Mexico prices better

MEXICO'S spiralling inflation rate has started to come down. Consumer prices rose by 5.4 per cent in February, after 10.9 per cent in January and 10.7 per cent in December, the Bank of Mexico reported, William Chislett writes from Mexico City. Government economists believe that the Central Bank's tighter monetary policy is making feasible an inflation rate of between 65 and 70 per cent this year, after almost 100 per cent in 1982.

Rumasa inquirers

The Spanish Government appointed yesterday two special prosecutors to study the possibility of criminal action against former management officials of Rumasa, the giant holding company taken over by the state last week, Reuter reports from Madrid.

Zimbabwe criticism

Mr Garfield Todd, the Liberal former Prime Minister of Southern Rhodesia, has added his voice to the mounting criticism of the Zimbabwe Government's handling of the dissidence in Matabeleland, our Harare correspondent writes. Speaking in the senate, Mr Todd, *who is* a Government-nominated senator, said "Government forces are called upon to show themselves stronger than the dissidents in what is really a conflict of terror."

S. African fines

A big South African newspaper group, its two senior editors and a top reporter were sentenced yesterday to fines totalling R3,600 (£2,182) after a secret trial in which they were accused of contravening the country's official secrets laws, Bernard Simon reports from Johannesburg. The charges arose from stories carried by the Rand Daily Mail and the Sunday Times, about South African intelligence gathering in the Seychelles, shortly after an attempted coup on the islands by South African-based mercenaries in November 1981.

Pope in Nicaragua

Pope John Paul II arrived in Nicaragua and was immediately confronted by Sr Daniel Ortega, leader of the Government junta, who blamed the U.S., in an airport speech for "imperialist aggression," AP reports from Managua.

Thailand borrows

The World Bank has approved a loan of $175m (£115.8m) to Thailand, to be used mainly to reduce trade and current account deficits, Thai officials said yesterday, Jonathan Sharp reports from Bangkok. The loan is the second made to Thailand under a structural adjustment programme.

Pressure on French franc grows in poll run-up

BY DAVID HOUSEGO IN PARIS

PRESSURE on the French franc intensified yesterday amid growing expectation that the French and West German elections will be followed by a realignment within the European Monetary System.

Dealers reported substantial intervention by the Bank of France to hold the French currency to FFr 2.8355 against the D-Mark, which is just above the franc's central rate in the EMS. The one-month Eurofranc rate moved up to around 30 per cent or a gain of 10 percentage points on a week ago.

Dealers rule out a realignment before the second round of the French municipal elections on March 13. The first round on Sunday coincides with the West German general election.

Dealers expect hectic trading on Monday, and a strong shift into the D-Mark should West German Chancellor Helmut Kohl't Christian Democrats win.

A report in a Paris newsletter said that the French Government believed it had secured Herr Kohl's support for a substantial D-Mark revaluation in return for French backing for the Christian Democrats' stance on intermediate-range missiles. But the newsletter said that French hopes were likely to be disappointed.

Some dealers believe that if *there is no realignment* by March 20 or 27, it will be because of the failure of the French and West German Governments to agree on a change in parity.

As the campaign for the municipal elections closed quietly yesterday, the main fear on the government side was of sizeable abstentions because of a lack of enthusiasm by Socialist and, above all, Communist voters.

The Opposition centrist and right-wing parties need to win back about 30 of the municipalities they controlled before the last municipal poll of 1977 to claim success.

The poll — the first national election since the Socialists *took office in May, 1981* — is being interpreted as amounting to a verdict on President Mitterrand's administration.

Canada to cut EEC fish quotas

By Jim Rusk in Ottawa

CANADA plans a substantial reduction in European fishing quotas in Canadian waters in retaliation for this week's decision by the EEC to ban the sale of seal-skin pelts and to continue restrictions on imports of Canadian fish.

The revised quotas will be announced in the very near future by Mr Pierre de Bané, Canadian Fisheries Minister, after he has had consultations with Mr Allan MacEachan, Secretary of State for External Affairs.

Last year Canada and the Community signed a five-year pact which gave European fishermen larger quotas in Canadian waters in return for improved access to European markets for Canadian-caught fish.

However, while European *fishermen took 16,000 tonnes* of fish in Canadian waters last year, only 2,000 tonnes of Canadian fish were exported to Europe, a factor the Canadian Government feels has contributed to the economic decline

Canada has been warning Europe for some months that the fishing agreement has not been working.

"In view of the blatant non-compliance with the long-term agreement, obviously there will be a reduction of their quotas in our waters," Mr de Bané said.

Canada's irritation with Europe has been increased by what the Minister described *as the Community's* "irrational" decision on Monday to extend the temporary ban on the import of seal pup pelts for two years.

The ban will begin on October 1 unless European fears about conservation and alleged cruelty in the seal-hunt are allayed by a joint scientific study with Canada.

The Minister said he would have to consider the impact on Canadian fishermen of any reduction in European quotas

Six soldiers killed in Lebanon ambush

BY NORA BOUSTANY IN BEIRUT

SIX LEBANESE soldiers were killed and 12 wounded yesterday in an ambush by gunmen near Britel, about 40 miles east of Beirut, a military spokesman said.

A Lebanese colonel, who was commanding the force on its way to target practice, was seriously wounded in the stomach.

The attack was the most serious challenge to the Lebanese army since President Amin Gemayel's election last September.

Private radio stations said the assault was mounted by dissident pro-Iranian militia backed by Iranian Islamic revolutionary guards.

However, a spokesman at the Lebanese army command said there was no accurate information on the identity of the assailants, who engaged in a three-hour battle with the troops.

There are Iranians in the Bekaa, there are breakaway groups, who knows who attacked today. *"They were certainly not* a regular force," said Captain Youssef Atrissi, spokesman for the Lebanese army command.

Voice of Lebanon said the attack on the army was mounted by Shi'ite Moslem militia of an extremist Iranian-supported group called "The Amal Islamic Movement" and Iranian Islamic revolutionary guards.

Eastern Lebanon is still largely under the control of Syrian troops who have not opposed the infiltration of Iranian zealots. About 300 Iranians have come to the Bekaa to preach religious fundamentalism to co-religionist local Shi'ites.

In Beirut, Mr Elie Salem, the Foreign Minister, said that Lebanon could not have normal trade relations with Israel because it would risk losing 95 per cent of its exports to the Arab world.

Mr Salem went on: "We are saying that Lebanon is not at present a normal country to have normal relations with Israel. It is not in the interest of Israel to weaken Lebanon. Lebanon is a destroyed country. *Lebanon is a sick country.* When it regains its health we will discuss relations with everybody."

Reagan stands firm on free trade

BY ANATOLE KALETSKY IN WASHINGTON

PRESIDENT Ronald Reagan yesterday reaffirmed his commitment to free trade but insisted free trade must also be "fair" and promised to defend American workers against "predatory" foreign competition.

The President's speech, the first of his presidency to be devoted principally to international economic policy was delivered in San Francisco and was billed by the White House as a "major" statement.

It contained nothing, however, in the way of new policy initiatives. His warnings about unfair trade practices in Europe and Japan, particularly in agricultural products, have already been reflected in his Administration's tough line on agricultural export subsidies.

Mr Reagan made clear, however, that protectionism in general was incompatible with the Administration's basic philosophy. He expressed particular opposition to efforts by some congressmen to introduce "domestic content" legislation, which would require a high proportion of U.S.-made parts in cars imported from Japan.

U.S. split over Soviet arms spending

BY DAVID BUCHAN

A SPLIT of opinion in the U.S. intelligence community over the level of Soviet military spending will reinforce arguments for reducing President Reagan's proposed 10 per cent increase in 1983-84 defence spending, Democrats on Capitol Hill said yesterday.

Specialists in the Central Intelligence Agency say their previous estimates that Soviet military spending was rising at an annual 3 to 4 per cent in real terms may be too high, and that the actual level may be no more than 2 per cent. By contrast, the Defence Department is still sticking to the higher estimate.

In absolute terms, this difference translates into a Defence Department estimate that the Soviet Union spent an equivalent of $222bn in 1981, while the CIA reckons that the level was much nearer to the U.S.'s $154bn for that year.

If the new CIA estimate is accurate, this still places a bigger burden on the weaker Soviet economy, with defence taking more than twice the share of gross national product than in the U.S.

Chile seeks a further $300m from foreign banks

BY ANATOLE KALETSKY, RECENTLY IN SANTIAGO

CHILE IS to ask international banks to add at least another $300m to the $900m of new money which the government has requested in its efforts to reschedule the country's $17bn foreign debt.

Even if it can secure the finance, the Chilean Government expects no economic growth this year, rather than the 4 per cent GNP increase which is still the official forecast.

Sr Martin Costabal, the government's budget director, said that $300m was the minimum estimate of the country's loss of capital during January and February as a result of foreign banks cutting short-term credit lines with Chilean financial institutions.

He said that the government would insist on these losses being made good by international bankers as part of any debt rescheduling agreement.

Chile's original request for $900m of new credit, was based on reserve figures in mid-January before international banks started cutting their Chilean credit lines.

After the last two month's capital flight, the $900m sum would no longer be sufficient to meet Chile's balance of payments needs, according to Sr Costabal, who ranks second in seniority in Chile's Finance Ministry

Fresh hope of Afghan settlement

BY DAVID TONGE IN NEW DELHI

PAKISTAN believes that a political settlement in Afghanistan is possible in the "foreseeable future," Mr Sahabzada Yaqub Khan, Pakistan's Foreign Minister, said in New Delhi yesterday.

During a break in the non-aligned conference, he emphasised the need for good will, but said that Pakistan's hopes had *risen as a result of the "freshness"* still being shown by the Soviet leadership of Mr Yuri Andropov.

He said there had been "steady, slow if undramatic progress" in the negotiations on Afghanistan under United Nations aegis. This "indicates the new Soviet regime is not only encouraging progress through its declarations, but is being prepared to see movement in the talks."

The main headings of the possible settlement are being drawn up, Mr Yaqub Khan said, and will be discussed by the Afghan regime, Pakistan and Tehran next month.

Mr Yaqub Khan was encouraged by the agreement of the authorities in Kabul to consider how the 3m Afghan refugees in Pakistan would be consulted over returning.

In Pakistan's view, the stage is being set for negotiations on the issues of withdrawal of the 100,000 Soviet troops, the voluntary return of refugees, reciprocal guarantees of non-interference in the affairs of Afghanistan, and international guarantees for the future of that country.

A fresh round of attempts to arrange a ceasefire in the Gulf War was foundering last night as diplomats mediating between Iran and Iraq said Tehran seemed determined to press.

Most of the 99 countries at the non-aligned conference have backed attempts to end the fighting led this week by India, Algeria and the so-called "Good Will Mission" set up by the non-aligned movement in 1980. This includes Cuba, Zambia and the Palestine Liberation Organisation.

Brazil-Poland debt talks

BY ANDREW WHITLEY IN RIO DE JANEIRO

TWO WEEKS of talks between Brazil and Poland over ways of reducing Warsaw's $1.6bn (£1.1bn) debt to Brazil have ended in failure. This year alone Poland is due to pay an estimated $944m in principal and arrears of interest, according to Cacex, the Brazilian foreign trade authority.

The Foreign Ministry in Brasilia said on Thursday it had not been possible to reach final agreement in negotiations with a Polish delegation led by Mr Andrey Dorsz, the Deputy Minister for Foreign Trade. Talks are to be resumed at a later date.

Government supplier credits provided to Poland to finance the import of Brazilian agricultural and mineral products make up most of the unpaid debt. These were worth more than $500m in 1981.

Until recently the Brazilian strategy was to put a ceiling on new credits at the present overall debt figure of $1.6bn and try to maintain a two-way flow of trade.

But Brazil's own liquidity crisis and the dire state of local industries, some of which are competing with Polish goods, have toughened Brazil's attitude.

Singapore tax holiday for syndicate loans

By Kathryn Davies in Singapore

A SPECIAL tax holiday scheme to encourage loan syndication has been announced by Dr Tony Tan, the Singapore Trade and Industry Minister, in his 1983 budget. Under the new scheme, all income derived in the five years from April 1 through the Asian currency units (ACUs) *of banks and financial institutions* in Singapore, from loans syndicated here, will be tax-exempt.

Exemption will be granted on a case-by-case basis, in certain conditions. Tax on syndicated lending is now levied on 10 per cent of income.

Budgetted expenditure for fiscal year 1983 is S$14.6bn (£4.6bn), an 18 per cent increase on that of last year, and the deficit is to be S$3.7bn, to be financed by public borrowing and drawing from the development fund.

U.S. urges stiffer export credit

BY DAVID MARSH IN PARIS

THE U.S. Government, which believes it is winning its long battle to reduce subsidies in international export credits, put forward to main industrial countries this week in Paris new proposals to stiffen credit terms, according to Mr John Lange, a senior U.S. Treasury official.

Speaking to journalists after two days of preliminary talks here this week, on thrashing out a new global export credit agreement, Mr Lange said the U.S. was "very hopeful" that main trading nations were moving towards much more of a market-oriented system for setting interest rates on export credits.

Capital market interest rates in four of the main five industrial countries—the U.S., Japan, West Germany and Britain—were either already less than, or on the point of going below the "matrix" of minimum interest rates for officially-subsidised export credits agreed last year, he pointed out.

The only one of the main countries where rates are still clearly above the minimums—10 to 12.4 per cent, *depending* on the category of creditor nation—is France. This meant that "wasteful" export credit subsidies—which the U.S. has long attacked—were already *being "wrung out" of the* system, said Mr Lange, who is director of the Treasury's office of trade finance.

This week, during the talks at the Organisation for Economic Cooperation and Development (OECD), the U.S. proposed a further stiffening of credit terms. It suggested that amount of down-payment made by better-off purchaser countries, not covered by official export credit terms, should be increased substantially from the present 15 per cent, Mr Lange said.

This proposal, which would effectively reduce the use of official export credit guarantees for the richer importing nations, was supported by "a couple of major governments" outside the EEC, Mr Lange said, without giving details.

He said the more market-oriented credit *system, which* the U.S. hoped to promote, would involve a system of aliding reference interest rates, based on capital market conditions, which would govern interest rates on export credit when they fell to less than the officially-set minimums.

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Kinnock attacks moves to oust Foot

By John Hunt

MR NEIL KINNOCK, Labour education spokesman and a leading left-winger, last night criticised Labour MPs who tried to start a campaign to remove Mr Michael Foot from the party leadership following the Bermondsey by-election.

Mr Kinnock went to Mr Foot's Ebbw Vale constituency to make a carefully staged speech. It was clearly meant to counter suggestions that he was prepared to stand as deputy leader to Mr Denis Healey in a campaign to oust Mr Foot.

He called Mr Foot's critics "sunshine soldiers, a congress of carpers." He emphasised that he wanted to see Mr Foot as the next Prime Minister.

"I am proud to stand by such a man. I want him to be the leader of our country for I trust him with my children's lives. I trust him with the future of our people. I trust him with world responsibility."

Mr Kinnock was scathing about those who praised Mr Foot's integrity and courage and then complained that he did not show Mrs Thatcher's tough leadership qualities. He called on party workers to advertise the fact that Mr Foot's decency was a greater strength than Mrs Thatcher's bossiness and bullying.

An opinion poll by Research and Marketing for HTV Wales shows that in Wales two-thirds of voters and 50 per cent of Labour supporters think Mr Foot is a bad leader of the party. It is particularly damaging as Mr Foot's constituency is in Wales and the poll was conducted before the Bermondsey by-election result, seen as a set-back for his leadership.

It showed that 62 per cent of Welsh voters thought Mrs Thatcher was a good leader.

There was some comfort for Labour. The poll showed 42 per cent support for Labour at the next election, 36 per cent for the Conservatives, 16 per cent for the Alliance and 5 per cent for Plaid Cymru.

Significantly, a big majority rejected unilateral disarmament. Only 22 per cent agreed that Britain should get rid of nuclear weapons, even if other countries kept theirs, while 67 per cent disagreed.

● There was a call for party unity from Mr Tony Benn. He emphasised his support for Mr Foot's leadership and, more significantly, declared his loyalty to Mr Healey as deputy. This is the first time that Mr Benn has taken such a step.

Tory ministers point to signs of recovery

By John Hunt

MODEST optimism about the UK's improved economic prospects was voiced yesterday by Mr Leon Brittan, Chief Secretary to the Treasury, and Mr Patrick Jenkin, Industry Secretary.

"Past sacrifices and achievements are now paying off," Mr Brittan told a Conservative meeting. "Signs of recovery are being reported."

He cited the latest Confederation of British Industry trends survey, which showed the biggest positive swing since January 1981 in the number of companies expecting manufacturing output to rise over the next four months.

"There are tentative signs that the world economy which held back our own recovery last year is beginning to pick up," Mr Brittan said.

"No one pretends that the prospects are for a sudden surge of growth and lower unemployment. But there is growing evidence that our relative economic decline is being reversed."

BL's Metro is the best-selling car

BY JOHN GRIFFITHS

AUSTIN ROVER's Metro was Britain's best selling car in February, taking a 10.3 per cent share of the market and pushing the Ford Escort into second place.

It is the first time a BL car has topped the best-seller's list since 1978, when a strike at Ford briefly toppled the Cortina from first place.

The Metro's success provides a further promotional boost for Austin Rover when sales of its larger Maestro model—on which BL's future depends—are just getting under way.

Some 14,700 Metros were sold during a month in which total sales, at 142,765, were the third highest for any February, according to Society of Motor Manufacturers and Traders statistics. The total was 15.7 per cent higher than in the same month last year and compares with 162,619 in the record February of 1973.

Sales for the first two months of this year at 308,202, are 29.7 per cent up on 1982, reinforcing manufacturers' predictions that this year's total market may come close to the record 1.71m cars sold in 1979.

Import penetration was down slightly in February at 56.7 per cent compared with 57 per cent in the same month last year.

UK CAR REGISTRATIONS

	February 1983	%	February 1982	%	Two months ended February 1983	%	Two months ended February 1982	%
Total UK produced	61,762	43.26	53,043	42.98	133,000	43.15	99,036	41.66
Total imports†	81,003	56.74	70,366	57.02	175,202	56.85	138,707	58.34
Total market	142,765	100.00	123,409	100.00	308,202	100.00	237,743	100.00
Ford*	42,267	29.61	34,981	28.35	98,306	31.90	71,040	28.88
BL	26,194	18.35	23,841	19.32	54,219	17.59	39,982	16.82
General Motors (Vauxhall-Opel)	20,664	14.47	14,884	12.06	44,616	14.48	29,803	12.54
Peugeot/Talbot	7,829	5.48	6,201	5.02	14,622	4.74	11,430	4.81
VW/Audi	8,968	6.28	7,912	6.41	20,714	6.72	16,392	6.89
Datsun	6,555	4.59	7,074	5.73	11,402	3.70	13,374	5.63
Renault	5,323	3.73	6,169	5.00	11,534	3.74	11,209	4.71
Volvo	5,278	3.70	4,154	3.37	11,459	3.72	8,705	3.66
Fiat Auto	4,511	3.16	4,611	3.74	7,677	2.49	7,917	3.33

* Includes cars assembled on the Continent not in UK total.

† Imports from all sources including cars from Continental plants of UK-based companies.

Source: Society of Motor Manufacturers and Traders

For the first two months imports fell from 58.3 per cent to 56.85 per cent.

In spite of Metro's success, BL's February market share was 18.35 per cent, down from 19.32 per cent in February 1982. Ford dropped below the 30 per cent level to 29.61 per cent in February but for the year to date remains at 31.9 per cent.

Ford made a strong comeback towards the end of the month, securing third place for its Sierra model, ahead of its main rival — the Vauxhall Cavalier. At the 20-day mark, the Cavalier had been well ahead of the Sierra with 8.4 per cent of the market, against the Sierra's 7.63 per cent. Ford cars finished the month at 8.48 per cent, with Cavalier holding 7.74 per cent. One possible factor in the turnround was a decision by Ford to offer £500 to dealers for each extra model put on the road.

The reasoning behind this appears to be a perceived need to encourage into driving the car's potential buyers who may not on first sight be impressed by its individualistic styling.

The top ten list of best sellers in February were: 1, Austin Metro 14,708; 2, Ford Escort 12,991; 3, Ford Sierra 12,102; 4, Vauxhall Cavalier 11,051; 5, Ford Fiesta 10,281; 6, Vauxhall Astra 5,850; 7, Volvo 300-series 3,145; 8, Triumph Acclaim 3,095; 9, Ford Cortina 3,024; 10, VW Polo 2,728.

Move to end time-served training

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

AGREEMENT WAS reached yesterday on the formation of a working party to arrange the ending of time-served apprenticeship in the engineering industry.

Details may be finalised in time to allow young people entering the industry this September to begin training on a system related to individual achievement, rather than time.

The decision on the working party was reached at talks between the Confederation of Shipbuilding and Engineering Unions and the Engineering Employers' Federation. Negotiators on both sides have to report back to their executive bodies, but are agreed in principle that time-served apprenticeships should end.

The working party will consider the mechanics of this.

Ministers want time-served apprenticeships abolished throughout industry by 1985. A successful change in engineering is one of the most significant contributions to this. It will certainly hasten moves to reform apprentice training in other industries, such as chemicals, which also employ engineering workers.

In the late 1970s, the Engineering Industry Training Board failed to persuade the industry to accept proposals to end time-served apprenticeships. However, the Government's New Training Initiative—and a sharp drop in apprentice intake during the recession—have renewed pressure on employers and unions to change.

The board announced recently that, like the Government, it wants the move made by 1985 at the latest. Indications are that unless the industry working party encounters unexpected problems it will happen earlier.

Durham aid schemes set up

BY NICK GARNETT, NORTHERN CORRESPONDENT

SCHEMES to improve skill training and business support in south Durham and a campaign to try to prevent the closure of British Shipbuilders loss-making steelworks at Wolsingham were announced yesterday.

The Confederation of British Industry's northern region, together with industrial companies, local authorities and academics, is assisting the formation of a private company—the Shildon and District Development Trust, to aid small businesses—and an industrial training scheme geared to young people.

The trust's organisers said the future of the Shildon wagon works—which has received a partial reprieve that could save 500 out of 2,000 jobs—did not affect the need to provide a new base for economic regeneration in south Durham.

The area, which already had a fragile employment base, has been suffering from recent and relatively severe manufacturing cuts.

Prof. Charles Baker, head of Durham University Business School, is leading the working party on the development trust company. It will provide various forms of non-financial assistance to small businesses.

A question mark hangs over industrial training scheme says training has failed to provide new skills in the more modern industries.

The scheme will offer 12 months' training and cater for 100 people initially. A further 40 places will be available for the training and retraining of adults.

Durham County Council said there was a social and economic case for retaining the Wolsingham steel plant. Its closure would push male unemployment in the Crook employment office area to 34 per cent.

Lloyd's brokers seek settlement

By John Moore,

LLOYD'S insurance brokers are attempting to gain a settlement of up to FFr 150m (£14.5m) in insurance claims from French insurance interests on a series of ships hulls and machinery claims.

The French underwriters are understood to be resisting the claims. Brokers in London have held emergency talks this week with each other in an effort to decide on further tactics.

One of the broking firms involved in the discussions, Seascope, said yesterday: "Because of the commercial aspects of the matter and our desire to ensure that there is a settlement there is little we can say at this stage. The matter is extremely sensitive."

Bermuda's Governor quits

BY STEPHANIE GRAY

SIR RICHARD POSNETT, the Governor of Bermuda since 1981, has resigned after denying allegations by the Bermuda Government of irregularities in his personal expenses.

Sir Richard, 63, was recalled by the Foreign Office last month after it had been alleged by the Bermuda Government that he entertained personal guests at Government House with official funds.

All Government House expenses are paid by the Bermuda Government.

Sir Richard quit his post on February 23, but his letter of resignation was made public only yesterday on acceptance by Mr. Francis Pym, the Foreign Secretary.

The Bermuda Government is prevented by law from putting the Governor on trial.

In his letter of resignation, Sir Richard, a former Governor of Belize and High Commissioner in Kampala, blamed publicity about the allegations — mainly from the United Bermuda Party Government of Premier John Swan — for making his job impossible.

"I can assure you that no public funds have been knowingly misused at Government House, either by me or by any member of my staff," he said.

"The publicity which has been generated has created an atmosphere in which it would no longer be possible for me to continue to carry out the responsibilities entrusted to me as Governor, nor, in the circumstances, would I wish to do so."

Sir Richard said he regretted that no direct approach had been made to him

Jaguar returns to racing

By John Griffiths

JAGUAR CARS is returning to Europe's racing circuits after a 20-year absence.

The UK car company's decision to contest the European Touring Car Championship is directly linked to a continental sales drive aimed at building on the resurgence in its fortunes in the U.S. and the UK.

Two Jaguar XJ-S coupes are to contest the championship. They will be prepared by Tom Walkinshaw Racing of Kidlington, Oxfordshire, and are due to appear first at the Monza circuit in Italy on March 20.

Much of Jaguar's reputation was built on long-distance racing success, particularly at Le Mans, in the 1950s.

Mr John Egan, Jaguar's chairman, would not disclose yesterday how much the company was spending on its racing venture. But he said the exercise would be "very cost effective.

"These days £1m does not go very far in advertising. But it would go a very long way in terms of the spin-off you get from media coverage." About 1½m people would watch the championship.

However, Jaguar's investment was "much less" than £1m. The two cars are to be co-sponsored by the Motul oil company.

Jaguar's overseas sales of 15,300 cars last year included about 2,500 on the Continent, while 10,500 were sold in the U.S.

The company thinks it can substantially improve this. In West Germany, for example, it believes that 1982's sales of 1,000 cars can be doubled this year, possibly reaching 5,000-6,000, or 10 per cent of the luxury car market, by the end of the decade.

It expects to build 26,000 cars this year, against 22,000 in 1982, but such is current demand that it is experiencing a shortage of cars.

However, Jaguar can raise output significantly without further major investment. Although output is at near record levels, it is still operating a single shift.

Marine Midland wins tax appeal over notional profits

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE ENGLISH subsidiary of a U.S. bank does not have to pay corporation tax on notional profits arrived at by translating dollars into sterling at a time of fluctuating exchange rates, the Court of Appeal ruled yesterday.

Three judges unanimously allowed an appeal by Marine Midland, part of the Hong Kong and Shanghai group, against a High Court decision upholding a corporation tax assessment on the bank.

The case had been described by the Inland Revenue as the frontrunner in a series involving about £100m tax.

Lord Justice Dillon said business of international commercial banking, providing short and medium-term finance, mainly in dollars.

Its profits, on which it had to pay corporation tax, came from interest differentials between amounts lent and amounts received on deposit.

It aimed to match, as nearly as possible, its assets and liabilities in each foreign currency and maintained a multi-currency system of accounting—transactions being recorded in the currency involved.

As a company incorporated and resident in England, its accounts for each accounting period were expressed in sterling.

The Revenue contended that the bank had to translate all its foreign currency transactions, including those that were fully matched, into sterling at the end of each accounting period.

Thus, as during the relevant period sterling had depreciated as against the dollar, the dollar loans the bank had made were, the Revenue argued, to be treated as having become more valuable year by year because the fall in the value of sterling meant that the sterling equivalent of the same amount of dollars became greater.

The Revenue's contention was that the bank had therefore made taxable profits on its dollar loans.

Lord Justice Dillon said such a profit was notional: it would have been made only if the bank had converted into sterling an appropriate amount of the debts due to it in dollars, so as to match in sterling the amount of the deposits. The bank had never done that.

Like any prudent banker, it had deliberately set out to avoid risks from currency fluctuations it could not control by matching, as far as it could, all its transactions in each currency.

Lord Justice Dillon could see no reason why the bank should have the risks of currency fluctuations, which as a commercial matter it had successfully avoided, thrust back upon it by being required to convert its matched dollar or other foreign currency transactions into sterling.

He said that these days it was a wholly unreal conception that an English company could only carry on its business in sterling. There was nothing requiring it to translate its foreign currency activities into sterling so as to throw up wholly notional profits by reference to hypothetical sterling equivalents of assets or liabilities, which were never payable, or expected to be payable, in sterling.

The Master of the Rolls, Sir John Donaldson, suggested that the bank's counsel had exercised extraordinary restraint in not accusing the Revenue of inventing an artificial accounting scheme that served no commercial purpose.

Lord Justice Griffiths said the translation from dollars to sterling was a book-keeping exercise that did not itself create a profit.

Holmes à Court drops planned sale of Jetsave

BY DAVID DODWELL

PLANS BY Mr Robert Holmes a Court's Associated Communications Corporation to sell Jetsave, its North Atlantic charter subsidiary, have been abandoned. Instead, the company will be restructured and Mr Reg Pycroft, managing director of Jetsave since its creation a decade ago, is to leave the company.

Since buying Associated Communications for £45m early last year, Mr Holmes a Court has consistently talked of selling Jetsave, which dominates the North Atlantic charter market. It carried 115,000 passengers last year.

Mr Bert Reuter, group managing director of Associated Communications, said yesterday that "all efforts to sell these operations have been terminated."

Mr Pycroft, who founded the company in 1972 and sold it to Lord Grade, then head of Associated Communications, in May 1980, has been trying to mount a management buyout over the past year.

"Jetsave is far more valuable than is reflected by any of the offers received," Mr Reuter said. Having failed to buy back the company, Mr Pycroft will not seek to renew his contract, which runs out at the end of this month.

He is understood to have agreed to sell to Associated the 15 per cent stake he retained in Jetsave when he sold control to Lord Grade.

Mr Ron Jenkins will become head of Jetsave at the end of the month.

Jetsave's restructuring will involve building up a U.S. market for travel to the UK, and starting short-haul routes into Europe.

Housebuilding up by 34%

BY ANDREW TAYLOR

HOUSEBUILDERS started work on 15,300 new houses and flats in January—a 34 per cent increase compared with the same month last year.

Figures published by the Environment Department underline the continuing revival in housebuilding.

The improvement in housing starts was maintained last month. Figures published this week by the National House-Building Council showed that private housing starts in the first two months were more than 50 per cent higher than the same months a year ago.

The Environment Department's statistics appear to point to slightly lower growth. Nonetheless it estimated private sector housing starts in the three months to the end of January 38 per cent higher than in the same period a year ago.

Public sector housing starts in the three months to January were 26 per cent higher than in the previous three months and 23 per cent higher than in the same quarter a year ago.

Rethink on development of Liverpool city site

By Ian Hamilton Fazey

THE GOVERNMENT has had second thoughts about redevelopment of the 21-acre site of Tate and Lyle's disused inner city Liverpool refinery.

The project has been put back to starting point and thereby delayed by several years because the site is in the middle of extensive urban dereliction.

The factory and site were given to the Government by the company after the refinery closed early last year. Its redevelopment was cited by Mr Michael Heseltine, then Environment Secretary, as an important aspect of plans to solve Merseyside's urban crisis.

Mr Patrick Jenkin, Industry Secretary, said yesterday that the project would not go ahead as originally envisaged. This involved a competition to find the best redevelopment scheme. Mr Jenkin presented £10,000 of prizes to the winners, but the competition was played down as being for ideas only.

Developing the site in isolation would probably provide only unmarketable industrial, commercial and residential property.

Mr Bill Locke, regional manager of English Industrial Estates, which is in charge of the site, said: "It would be like putting a jewel in the middle of a sea of fire."

The acknowledgement that the project can be dealt with only as part of a broader and more expensive plan will be seen as underlining the fact that there are no short-term answers to Liverpool's decline.

Although February's figure showed a fall of 1,000 in Merseyside's jobless, they still total 133,751, or 19.3 per cent of the workforce. The inner city rate is more than twice that.

Significantly, the ideas for the Tate & Lyle redevelopment were more concerned with housing and leisure than jobs.

The winning design was the official municipal entry by Mr James Robb, Liverpool city architect. This used the Leeds-Liverpool canal, which runs through the site, as the basis for a linear park surrounded by housing, a boat museum and factories for high technology companies. The £5,000 first prize went into city funds.

Sizewell 'would cut south's power imports'

By A Special Correspondent

THE PROPOSED Sizewell pressurised water reactor power station would enable the Central Electricity Generating Board to reduce the use of uneconomic plant in the south and south-east, the public inquiry at Snape Maltings in Suffolk was told yesterday.

It would also lessen the region's need for costly long distance power imports, said Mr Peter Arnold, the engineer responsible for the design and development of the electricity transmission system in England and Wales.

Explaining why the board believed the new station should be cited in the south-east, he said power had to be imported into the region from elsewhere in England because of high demand. It would become progressively more dependent on imported power from 1987.

Building a further station at Sizewell would make new transmission lines unnecessary.

● Mr Ken Weetch, MP for Ipswich, wants the Government to reconsider its decision not to grant public funds to objectors at the inquiry. He is to put a parliamentary question to Mr Nigel Lawson, Energy Secretary, asking him to reconsider the policy. He is concerned that only one side of the argument is apparently being given.

Appeal for tax reliefs to ensure oil self-sufficiency

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil companies need to exploit between six and 12 new fields each year if the UK is not to be forced into being a net importer again within the next decade, according to the UK Offshore Operators' Association.

The association, which represents leading North Sea oil companies, says production could fall below self-sufficiency levels by the end of this decade if the rate of development was not restored soon.

The warning is contained in a report* which encapsulates the industry's recent submission to the Energy Department. That 90-page document was submitted to support the industry's plea for a tax cut in the Budget on March 15.

The pace of development has slowed significantly, the association notes. Of the 11bn barrels of oil being prepared for exploitation only about 300m barrels have been committed to development during the past two years.

A survey of members has identified 31 fields regarded as non-commercial under current price and tax conditions. These fields ranged in size from 25m barrels of recoverable reserves to 150m barrels. Together they contained 2.2bn barrels of technically recoverable oil — about the same amount as is being extracted from one of the early big North Sea fields.

The association calculates that a reduction in taxation is needed to make fields in the 50m-100m barrels range commercially viable. Smaller fields would need tax help, plus some major cost-saving technical innovation.

Oil company members of the association are calling on Sir Geoffrey Howe, the Chancellor, to: reduce the rate of Petroleum Revenue Tax (PRT); eliminate as soon as possible Advanced Petroleum Revenue Tax; introduce tax allowances for significant incremental investments within taxed fields; establish a mobile tax allowance that could be exchanged between fields; introduce an automatic royalty repayment system; exempt a significant portion of pipeline tariff income from PRT; and provide for prompt PRT relief for all exploration and appraisal expenditures.

* *Proposals to sustain UKCS Activity; UK Offshore Operators information paper; 192, Sloane Street, London SW1X 9QX.*

Ray Dafter looks at the casualty figures and safety problems behind the quest for energy

The spectre that haunts oilmen in the North Sea risk business

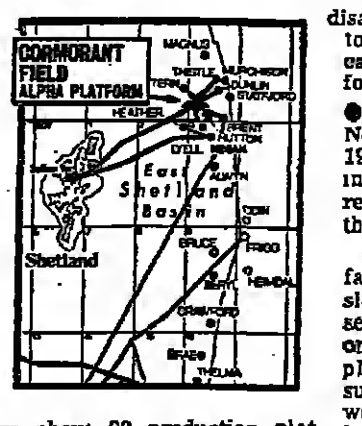
THE EXPLOSION on the Cormorant oil production platform which killed two men and injured six others on Thursday revealed the spectre which haunts all oilmen working in the North Sea.

Mr Red Adair, the oil industry's leading trouble-shooter, has warned on several occasions that it is only a matter of time before the UK sector of the North Sea is hit by a major catastrophe. It is that sort of risk business.

Offshore operators are uncomfortably aware that they are producing oil and gas — often at very high natural pressures — in remote areas of storm-tossed seas.

Since 1970, when the North Sea was yielding only natural gas, about 100 offshore workers in the UK sector have died and more than 460 have been seriously injured. These casualties have not included those killed and injured in helicopter accidents.

Unpublished Energy Department figures show that last year six people died, well below the average in recent years in spite of the rapid development of the North Sea industry. There



are about 90 production platforms installed in the UK sector with more than 21,000 employed on construction, production and support projects. Three of last year's deaths occurred when a gangway collapsed and hurled them into the sea in Occidental's Piper oil field.

In recent years the industry has tightened safety procedures, partly because of the more serious accidents:

● The loss of British Petroleum's Sea Gem drilling rig off the Humber in 1965 when 13 people died.

● The Alexander Kielland disaster in the Norwegian sector in 1980 when 123 died in the capsized accommodation platform.

● The oil-well blow-out on the Norwegian Ekofisk Field in 1977. No-one was seriously injured but thousands of barrels of crude oil spewed into the North Sea.

Most platform and production facilities are designed to withstand the sort of storms and sea conditions which occur once in every 100 years. These platforms and drilling rigs are supported by a flotilla of tugs, work-boats and converted fishing vessels, many of which operate in a safety role.

In recent years a new type of vessel has joined the North Sea fleet, purpose-built support and safety vessels equipped with fire-fighting facilities, hospitals, temporary accommodation and handling equipment designed to tackle such incidents as well as blow-outs.

These multi-purpose vessels are placed strategically in the different safety zones of the North Sea, designated areas in which all field operators have agreed to co-operate in emergencies.

The Cormorant accident happened in the red sector, about 90 miles north-east of the Shetlands, and the various emergency procedures were quickly enacted. As soon as the accident happened on the Alpha platform of Shell/Esso's Cormorant Field a doctor and a medical team were flown by helicopter from the nearby Shell/Esso Brent Field.

Two of those injured are recovering in the hospital of the semi-submersible Treasure Finder accommodation vessel. The other four injured are in Scottish hospitals.

It is understood that all those killed and injured were working in the control room of Cormorant Alpha when the explosion occured. A resulting fire was quickly extinguished but the control room is said to be badly damaged.

Production, which had been running at about 25,000 barrels a day—oil worth almost £4m a week—has been suspended while experts assess the cause of the explosion and the extent of the damage. Initial reports suggest that the blast occurred in the vicinity of a water boiler.

Grampian Police and Energy Department officials have joined Shell and Esso staff to examine the accident.

UK NORTH SEA ACCIDENTS

	No. of fixed platforms	No. employed offshore	Fatalities	Serious injuries
1971	11	1,260	4	17
1972	16	1,850	3	17
1973	19	2,430	3	22
1974	23	4,030	12	25
1975	29	6,300	10	50
1976	39	9,200	17	57
1977	50	12,100	11	40
1978	55	12,500	4	40
1979	58	10,500	10	43
1980	60	22,000	4	45
1981	64	21,000	6	59
1982*	67	21,500	13	41

* Provisional

Source: Energy Department

The Cormorant platform, which normally accommodates between 150 and 200 offshore workers, was commissioned in February last year. Developed at a cost of about £500m, the so-called North Cormorant Field served by the platform was the 20th UK oil discovery to be brought on stream.

Shell, as operator for the Shell/Esso partnership, is working on a unique development project immediately south of the Alpha platform. A £560m underwater production system is being installed to exploit another part of the Cormorant Field.

Such a system could have significant safety implications for North Sea development. The system is designed to work on the sea-bed without human intervention and with the minimum of maintenance. It will be controlled electronically from the Alpha platform.

Other North Sea operators are evaluating similar production systems which could do away with the need for new production platforms and work crews.

SDP attacks Labour move to win non-affiliated unions' support

BY JOHN LLOYD, LABOUR EDITOR

THE Social Democratic Party yesterday attempted to spread disaffection with Labour in *union ranks* by releasing the text of a letter from the Trade Unions for a Labour Victory (TULV) asking unions not affiliated to the Labour Party to assist the party "in whatever way possible."

Mr William Rodgers, the SDP's industry spokesman, called the move a "con trick." The non-affiliated unions are being cautious, but Civil Service unions may outline the policies of all parties as they affect their members, and invite them to bear these in mind when they vote at the next election.

The letter, from Mr David Basnett, chairman of the TULV, to general secretaries of non-affiliated unions, says that Conservative and Alliance policies are "anti-union." The only effective defence is to work for the return of a Labour Government.

The letter continues: "We appreciate that as a 'non-political' union in the sense that you are not politically affiliated, your ability to co-operate in our efforts will be limited but, political or not, as a TUC union you are equally listed for attack in the declared policies of the Conservative, Liberal and Social Democratic parties and so we have no hesitation in making this approach to you."

Mr Basnett says the TULV would welcome particularly publication of TULV articles and insertion of TULV leaflets, in union journals—both paid for by TULV—to avoid allegations of impropriety.

He says a meeting is to be arranged in London "with party leaders in attendance" to discuss the campaign. "We hope that it will be possible for you and/or a senior representative of your union to attend."

In a statement yesterday, Mr Rodgers said that the Labour Party was treating unions as "their personal property." The attempt to disguise propaganda as independent comment was "a shoddy con trick."

The statement continues: "It is an abuse of trade union power by a handful of individuals. Only a minority of union members are now Labour. Many are Social Democrats. Members of non-affiliated unions should not be deceived or bullied into bailing out the sinking Labour Party."

Mr Basnett's letter to the non-affiliated unions—which include such major unions as the local government officers, the teachers and the Civil Service unions—is a departure from normal practice and demonstrates the need of the Labour Party for cash aid.

Mr Basnett was not available for comment last night. A TULV official said that the request was perfectly proper as it asked for space and offered payment in the same way as any other advertiser.

While many non-affiliated union officials are enthusiastic Labour supporters, they are required to exercise care in giving assistance to the party especially since recent cases, brought by union members, have often gone against unions which used general fund money for political purposes.

Mr Alastair Graham, general secretary of the Civil and Public Servants Association, said last night that the issue had been put before his executive. He would probably attend any meeting.

He said, however: "It is very difficult for us to do anything overtly political for any party. But I see no harm in us putting out a questionaire to all the parties before an election asking for their policies towards civil servants, then publishing these policies so that our members can make up their own minds when they vote."

Most pay rises now 'above inflation'

BY BRIAN GROOM, LABOUR STAFF

THE MAJORITY of pay increases are now above inflation, though only by marginal percentage points, following the rapid fall in the rate of price rises, says the pay-monitoring company Incomes Data Services.

The company says that the bulk of settlements in January, when the inflation rate was 4.9 per cent, were between 4.5 and 7.5 per cent. The spread of settlements last autumn was 5 to 8 per cent.

The report considers whether pay negotiators are beginning "to live with" low price rises, in line with the Government's forcible argument that they should respond to 5 per cent inflation with the expectation that it will last for the foreseeable future.

It finds that while the Government seeks to hold public-sector increases to between 3.5 and 4.5 per cent where it holds the purse strings directly or indirectly, employers in the private sector follow independent policies depending largely on domestic circumstances.

Settlements at the higher end include some sectors of chemicals and pharmaceuticals, with Pfizer settling at 9.5 per cent in December and Unichem at 10.6 per cent in January. The general spread in chemicals, both heavy and fine, has been between 6 and 10 per cent in recent months.

At the lower end companies in a number of industries seek deferments or marginal increases, and in exceptional cases propose wage cuts. "In almost every case we find that *inflation, low or otherwise,* has nothing to do with arguments," says the report.

Loss of orders caused Bronx Engineering to delay an increase. Hyster and ICI/Marley said closures and redundancies were the alternative to pay reductions and rationalisation.

In spite of the publicity given to the decision of 500 workers at the Hyster forklift factory, Irvine, Scotland, to accept a 9.8 per cent reduction in pay, the report finds that pay cuts are exceptional.

Many examples should be "taken with a pinch of salt," it says.

A pay cut at Pan Am last year took the form of a temporary wage freeze and non-payment of a "13th-month" bonus normally paid.

At British Caledonian employees agreed to forgo cost-of-living increases, but were assured that these would be restored when the company rturned to profitability.

An attempted reduction at the Burman car component factory, Birmingham, which provoked a strike, eventually turned outt o involve buying-out of piecework with a new bonus scheme which yielded higher pay.

● An Advisory Conciliation and Arbitration Service mediator has recommended a 6 per cent increas in salary scales to end a pay dispute between Eagle Star insurance company and 5,000 members of the Banking, Insnrance and Finance Union.

The union side, which has suspended a campaign of industrial action, will consider it at a meeting next Thursday.

● The port industry's national joint council has failed to agree on recommendations aimed at resolving disagreements over pay at London and Hull.

At Hull the employers offered 5.3 per cent rises in return for manning reductions, or 1 per cnt without manning changes. At London dockers in the enclosed docks claim parity with "grade five" clerical staff.

Meetings will consider the impasse next week. Recent settlements in the port industry range from 4 per cent at London riverside wharves to 6 per cent at Southampton.

IDS Report 396; 140 Gt Portland St, W1.

Foundry group set to back Labour NEC

By Our Labour Staff

SUPPORT for the centre-right of the Labour Party has come from the preliminary agenda for the conference of the Foundry Section of the right-led Amalgamated Union of Engineering Workers.

Motions on the union's agenda call for support for the stance of the Labour Party's national executive committee on the Militant Tendency, and also back "one person, one vote" system for constituency parties re-selecting their MPs.

The latter motion could become a rallying point for the right in the unions during the coming round of conferences.

It reads: "This conference, recognising the need for a uniform system of elections on key issues in the Party, and believing that democracy means the widest possible franchise, calls for the NEC to bring forward at the next possible conference constitutional amendments to provide for an individual ballot of members in elections for the CLP section in the leadership deputy leader electoral college, and in reselection of parliamentary candidates."

More worrying for the Labour leadership is the appearance of motions reaffirming support for, and affiliation to the Labour Party. Until *recently* these would have been unnecessary.

Neither is there any hint in the agenda of moves towards acceptance of an incomes policy through a national economic assessment. One motion calls for a break with the policies of the last Labour government and two more oppose wage restraint.

● The executive of the white-collar Technical, Administrative and Supervisory Section of the engineering union has agreed to continue talks with the three other sections of the union over the possibility of a full merger.

Tass has until now successfully blocked any merger in the courts because of what it feared would be an effective take-over by the engineering section.

Southampton docks threat

BY OUR LABOUR STAFF

THE Transport and General Workers Union is threatening industrial action next week at the port of Southampton, the biggest dock owned by the *newly denationalised* Associated British Ports, because of a row with Esso Petroleum.

The dispute mainly involves tugmen and mooring and lashing gangs. Some of them have warned that the port may be brought to a standstill if Esso does not return a contract to supply launches at the nearby Fawley oil refinery to a Southampton company.

The tradition is for tug and launch services to be provided only by Southampton-based enterprises, but Esso recently awarded a contract to Marine Support and Towage of Cowes, Isle of Wight. For the past 30 years it had been carried out by a local company, Husband's Shipyards.

The TGWU gave Esso two weeks to change its mind, but no talks have taken place since then and the workers may approve industrial action at a mass meeting on Monday. Any serious disruption would be a further blow to Southampton, which lost more than £13m through disputes in 1981.

Mr Dennis Harryman, Southampton docks officer of the TGWU, yesterday accused Esso of underestimating his members' feelings about the issue. Esso has refused to comment, other than to say that its choice of contractors was based on normal commercial grounds.

Hailwood pay offer accepted

By Nick Garnett, Northern Correspondent

WORKERS at Hallwood & Ackroyd, the Leeds vehicle component makers, voted yesterday to end their six-week strike and accept a new pay offer. They will return to work on Monday.

The dispute at the company, which produces hydrolic valnes and braking systems, halted International Harvester's tractor output for a month and *disrupted* supplies to other *commercial* vehicle builders.

Karrier Motors suffered from intermittent supplies and said this week that it had found a new source of components. It would *resume normal* work on Monday irrespective of what happened at Hailwood & Ackroyd.

Mr Colin Hampshire, Leeds district secretary of the Amalgamated Union of Engineering Workers, said the 15-month pay deal gave an increase of 10 per cent on wage rates and was worth about 12 per cent overall. The previous offer was worth 8.5 per cent over one year, the company said.

Warning by water workers

BY OUR LABOUR STAFF

WATER WORKERS in East Anglia—Britain's largest water authority—are threatening a resumption of industrial action over the alleged victimisation of strikers.

Officials of the National Union of Public Employees (NUPE) are claiming that: three of their 2,500 members employed by the authority have been sacked; overtime has been withdrawn; holidays forfeited and private contractors used to repair burst mains.

Mr Eddie Bradin, NUPE divisional officer, said yesterday that managers had been taking "reprisals."

"The authority appears to have a deliberate policy of wishing to carry on a vendetta. We cannot allow this to continue."

The union has lodged a complaint with the authority warning that industrial action will resume if it fails to abide by the no-victimisation undertakings made at the settlement of last month's dispute.

The Anglia authority, which supplies water for consumers from the Humber to the Thames, has promised to investigate the allegations once it has received detailed information.

Sun shines through the clouds

LONDON

ONLOOKER

Oil, gold and coal were the dominant considerations behind this week's market movements. Fears that Opec countries, hit by plummetting oil prices, might resort to selling gold sent the spot price reeling. This triggered the biggest fall in South African gold mine shares for three years, but a calmer mood prevailed midweek prompting the highest ever one-day jump in the FT Gold Mines index of 57.6.

Polly Peck in the descendent again provided a distraction for equity dealers. Even a temporary suspension failed to stop the rout and the price collapsed to £10, before rallying to £14¼ — a long way from the £35¾ peak.

This aside the equity market was restrained until the outlook on oil prices brightened and the threat of a coal strike receded a little. As lower prime rates and good economic indicators in the U.S. put Wall Street on the boil, confidence returned in London and the FT Industrial Ordinary index glimpsed a record before end-of-account profit taking left it at 660.3 for a gain over the two week account of 14.4.

Insurers damaged

The 1982 results from the three major UK composite insurance groups, Commercial Union, Royal and General Accident, confirm what the market has known and feared—the world insurance market is in one gigantic mess. The combined underwriting loss of these three groups is just under £600m—almost the total losses in 1981 for all insurance company members of the British Insurance Association.

The black spots for these companies are the U.S. and the UK. The U.S. has been on a downward trend for four years with no sign of bottoming out yet. GA recorded losses more than doubling to £40m. Royal saw its U.S. losses triple to £91m, while CU took the jackpot with losses up to £271.5m—double the previous year.

The slide to disaster in the UK has come very quickly and much more sharply than the U.S. 1981 was a good year for insurance companies in their home territory. One year later they are reporting heavy losses, with GA leading the field. Its breakeven position in 1981 turned into massive losses of £73m last year, with commercial fire, motor and householders business all recording heavy losses. Royal had a modest profit in 1981, but last year lost £37m. CU found the UK another disaster area with losses rising fourfold to £45m.

Recoveries in Canada and Australia, softened the blow somewhat, especially for Royal with its heavy involvement in both territories. Even so, shareholders should have looked with foreboding on the results. Instead those with Royal and GA get a small increase in dividend, whiel those with CU have an unchanged payout.

Buoyant investment income ensures that all three groups had pre-tax profits, albeit at a much lower level than in 1981. Royal being the most resilient and showing a slight improvement in net profits thanks to a favourable tax position. The dividend stance shows a confidence in the future that the market will certainly want to see borne out this year.

Unilever's rise

Despite heavy losses in the paper and packaging division and increasingly difficult trading conditions in Nigeria, Unilever ended 1982 with pre-tax profits of £722.6m, a rise of £13.4m on the previous year.

But on comparable exchange rates, this was a decline of 3 per cent. Restructuring costs, especially in the UK, involving the closure of the Thames Board factory at Warrington with the loss of about 800 jobs, contributed to a further squeeze on profitability.

Bright spots included improved operating profits in North America, up 28.3 per cent to £106m.

Apart from the strength of the dollar, this was due to a hefty products drive by Lever Brothers, which could lead to Lever breaking even in the current year.

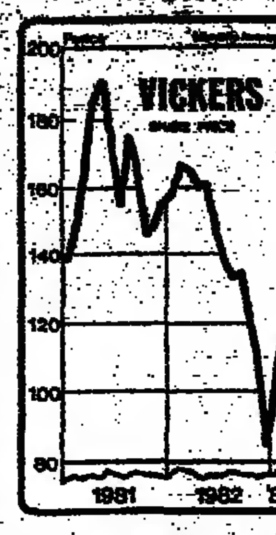
Principal weaknesses were within the EEC, which bore the brunt of the rationalisation costs. Clearly, Unilever's interests in food, detergents and industrial products mean growth will largely depend on the strength of any recovery in European consumer spending. The EEC and other European countries account for 54 per cent of operating profits.

In the developing world, where Unilever earns almost 40 per cent of its operating profits, low prices for gold, oil and other commodities will also be crucial. The directors, meanwhile, take the view that 1983 will bring no significant improvement in economic conditions.

Planning on this basis, they are continuing their drive to slim the company down. Unexciting earnings seem likely for the first half of 1983, but Unilever's more aggressive image could put it in a good position to take advantage of any *medium-term* economic recovery.

Vickers skids

The one-third cut in Vickers' dividend to 8p less than a year after the raising of £24m in a rights issue has sparked off some nervousness about the group's ability to produce the kind of profits sufficient to justify the issue. And further questions may now be raised as to the wisdom of other aspects of the group's strategy.



If Vickers sticks to its guns, following its declared strategy of establishing a strong market presence in at least two significant geographical locations, some pruning of group activities may be on the cards. This, of course, *does not apply* to those businesses which have been growing fast enough to generate sufficient funds to assist capital spending in the major divisions, but rather to less profitable operations.

The machine tool division—in which losses rose from £200,000 to £1m last year—is a case in point. After carefully dientifying those areas of its business with sufficient international standing and acceptable prospects for profit growth, the disposal of some of the more problematic divisions would free *management* to *concentrate* on the group's more substantial activities.

One of the areas deserving of more attention is the Rolls-Royce motor division, where a fall in trading profits of some £10m to £6.2m was largely responsible for Vickers' overall 17 per cent decline in 1982 operating profit to £35.3m (£42.4m). Group taxable profits emerged £5m lower.

The motor result might well have been worse but for a sharp upturn in Rolls-Royce's U.S. sales towards the end of the year. That rather late, but encouraging sign, leaves the outlook for Rolls-Royce sales somewhat brighter than a year ago.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982/3 High	1982/3 Low	
F.T. Govt. Secs. Index	80.52	+ 1.58	85.84	61.89	Improved demand
F.T. Ind. Ord. Index	660.3	+21.1	662.5	518.1	Emphasis switches to leaders
F.T. Gold Mines Index	578.2	−48.5	734.7	131.2	Weak bullion price
Applied Computer	400	+63	400	144	Rights issue and forecast results
BP	314	+14	340	258	Hopes of Opec agreement
Cornell	135	−38	260	105	Proposed merger postponed
Dollonds Photo	100	+30	100	15	Bid of 37½p per share
Fisons	558	+92	558	145	Excellent results
Gold Mines of Kalgoorlie	600	−110	810	120	Sharp fall in bullion
London Brick	156	+10	157	70	Sharp rise in housing starts
Lucas Industries	150	+17	236	121	BL Maestro launch
Metal Box	194	+24	196	132	Broker's re-rating
Minet	117	+13	157	87	U.S. bid speculation
Pleasurama	543	+63	543	149	Broker's circular
Polly Peck	£15	− 8½	£35¾	314	Greek-Cypriot allegations
Spirax-Sarco	210	+34	210	132	U.S. aquisition
Tesco	129	+18	134	48	Firm food retailers
Waring and Gillow	94	+24	122	67	Bid speculation
Wearwell	60	−22	107	40	Proposed merger delayed
Woolworth	258	+31	258	159	Rationalisation moves

Healthy indicators

NEW YORK

RICHARD LAMBERT

WALL STREET now has the bit between its teeth. The current strength in share prices is based on the idea that the economy is recovering much more sharply than had been expected only a month or two ago, and that the outlook for inflation has been improved by the fall in oil prices.

From time to time, there are brief moments of panic about the financial consequences of a free fall in energy prices. Thus on Monday, a sharp crack in the price of gold sent reverberations through all the securities markets. But the overall mood is very positive, and it has been encouraged this week by a stream of healthy-looking economic indicators.

For example, the Commerce Department is now suggesting that gross national product could rise at an annual rate of 4 per cent or more in real terms during the current three months. Merrill Lynch thinks the rise could be nearer 6 per cent.

The strong rise in equities dates back almost exactly to the Opec meeting in Geneva over the weekend of January 22, when it became clear that the cartel was not going to be able to hold the line on oil prices. Since then, the prire of gold has falleo by more than $60 an ounce and the price of the long bood has jumped by around 4 points. Yields at the long end of the Government Bond market have fallen from nearly 11 per cent to under 10¼ per cent over the period and are now pushing down below the levels touched when bonds were at their strongest last autumn. There has been much less excitement at the short end of the debt markets.

The Dow Jones Industrial Average, meanwhile, has risen by more than 100 points in the six-week period and it now stands roughly 45 per cent above the low point of last August. The markel is probably selling on an historic price earnings ratio of over 12.

IBM, which was the market leader through the latter part of 1982, has not played anything like such a dominant role in the latest upswing. Instead, the *gains have* been *very* broadly spread—and have extended to some quite surprising sectors. For instance, the big banks have done well, despite the worries about their exposure to energy-backed loans. Chase Manhattan's price has jumped by over a *third* since the Opec meeting. Its involvement in Brazil, which should be helped by lower oil prices, is much greater than its loans to Mexico, which is an obvious victim of Opec's troubles. BankAmerica's relative position is the other way around, and its shares have only risen by about a tenth over the period.

Some of the big oil companies have also shown good gains, especially in recent days. There are quite a few bears around, as you would expect. But one popular argument is that members of the Aramco partnership, which have been squeezed by the high price of Saudi crude, could be relatively better off as a result of the shake-out. Shares in Standard Oil of California, one of the Aramco companies, have usefully outperformed the Dow in recent weeks.

The one group about which just about everyone seems to be gloomy is the oil service sector. Earnings estimates are being pared back almost daily—for instance, Paine Webber *has* slashed its 1983 projection for Halliburton from $4.70 to $4.00 a share, and has also cut its 1983 target for Schlumberger to earnings of $4.60 a share. Forecasts elsewhere on the Street go a good bit lower than that. The explanation is that another steep fall in the level of U.S. drilling activity now seems to be just about inevitable this year.

Back in the main stream of the bull market, investors are still gobbling up an enormous volume of new issues. It seems no time at all since American Telephone and Telegraph produced its last $1bn plus equity offer, and this week it announced that it was coming back with yet another jumbo issue. Debt offerings could be a bit tricky pending the break-up of this giant corporation, and the idea seems to be to get as much equity in hand as possible before the split. In its present frame of mind, Wall Street is only too happy to oblige.

MONDAY	1112.62	− 8.32
TUESDAY	1130.71	+18.09
WEDNESDAY	1135.06	+ 4.35
THURSDAY	1138.05	+ 3.00

Record-breaking week for gold shares

MINING

GEORGE MILLING-STANLEY

THIS WEEK has been the most volatile ever in the history of the gold share market, with two quite long-established records *being broken.*

Monday saw the FT Gold Mines index plunge by no less than 62.8 points to 563.9, easily eclipsing the previous biggest-ever one-day fall of 44 points in September 1981.

After a decline of that magnitude, most people were expecting a pause for breath as shareholders contemplated the havoc they had wrought, but by Wednesday the buying orders were flooding in and the index surged up 57.6 points to 627.7, topping the previous record one-day gain of 54.1 in September 1980.

If investors are going to carry on being so responsive to even relatively minor movements in the bullion price and changes in sentiment, what is the harrassed analyst to make of it all?

It is hoped that things will become a little calmer soon, as at least some areas of uncertainty could be cleared up quite rapidly.

This weekend's Australian election should help to resolve the difficulties of those investors who are wondering whether to concentrate their holdings there, in South Africa or in North America.

The steadiness of Australian mining share prices this week as compared with South African stocks suggests that shareholders have already fully discounted a victory for Mr Bob *Hawke's Australian Labor* Party, as this column suggested they would a month or so ago.

This market has fallen quite sharply since early February, when Mr Malcolm Fraser made *his surprise announcement* of a general election.

Other things being equal, the market stands to gain from the resolution of the political turmoil, whoever wins the election.

A Labor victory should produce no panic selling, while dealers expect prices to go through the roof should Mr Fraser's Liberal Government keep hold of the reins.

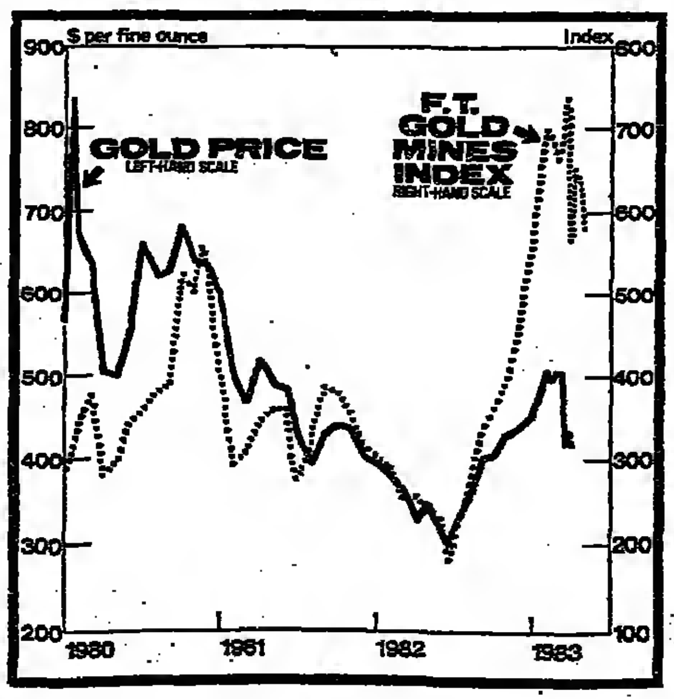
The precipitate fall in world oil prices and the consequent potential collapse of the Opec cartel have been the major causes of the recent flight from gold and gold shares as an investment.

Friday's announcement that the informal gathering of some of the representatives of the leading countries in the cartel in London had closed with a call for a full-dress meeitng of all members in the same city on Monday may also restore some degree of atability to the markets.

This will be especially true if the meeting marks the restitution of Opec solidarity, heralding a return to higher oil prices.

This week's disarray in the gold share market meant that the interim dividends from Bracken, Kinross, Leslie, Unisel and Winkelhaak in the Gencor group were largely ignored.

The payments were in fact all quite good, reflecting the behaviour of the gold price in the latter part of last year. Winkelhaak boosted its interim from 158 cents (98.8p) to 188 cents, Unisel paid 50 cents against 45 cents, Leslie jumped from 12 cents last time to 29 cents, Kinross from 62 cents to 78 cents and Bracken from 14 cents to 27 cents.



● This week's announcement of a proposed rights issue by Australia's Paringa Mining and Exploration raised some intriguing questions.

Paringa's statement said the company planned to raise A$4.2m (£2.6m) by way of an underwritten rights issue of one-for-two at 75 cents a share, with a total of 5.63m new shares being issued.

All fairly straightforward so far, but one or two shareholders were a trifle puzzled by the rest of the statement. This went on to say that Paringa's major shareholder, Apollo International Minerals, did not intend to take up its entitlement.

It does seem a bit odd that Apollo, which holds not far short of 90 per cent of Paringa's existing shares, should expect outsiders to put up all of the new money required to place Paringa, as the statement puts it, in a position to take advantage of opportunities which may arise in the near future.

In fact, Apollo simply does not have the kind of money Paringa is looking for. The company was comparatively unknown in London until the year before last, when the London-registered Hampton Gold Mining Areas was trying to take over Paringa and Apollo stepped in with a higher offer and won the day.

But there is more to it than just the lack of funds. There seems to have been quite a bit of soul-searching in the Moonie Oil group, with which Apollo is linked.

Firstly, Paringa is a long-established mining and exploration concern, and as such is more widely known both in London and "Down Under." In addition, Paringa is the only one of the two companies with an income-producing asset. This is the Que River silver-lead-zinc-copper-gold property in Tasmania, where its partner is Aberfoyle, controlled by Cominco of Canada.

Under Australian tax law, it is important to include both exploration expenditure and income from mineral production in the same company, in order to be able to offset the one against the other for tax purposes.

It seems likely, then, that the ultimate aim will be to use Paringa as the publicly-quoted hard-rock mineral arm of the Moonie Oil group, with a sizeable outside shareholding.

The rights issue can be interpreted as a move in this direction, as it will reduce Apollo's holding in Paringa to a little under 60 per cent, as well as raising funds.

The next logical step would be to transfer Apollo's assets, particularly the exploration interests, to Paringa. Further developments are awaited with interest.

● Next Wednesday sees the publication of first-half retsults from Consolidated Gold Fields. The group has issued several warnings to the effect that profits will be lower than the £40.2m for the six months to December 31 1981.

Market attention has focused more on the fact that Gold Fields has made it known that it will announce the figures early in the day, arousing fears in some quarters that the results will be accompanied by the announcement of a rights issue.

It is of course not possible to come by hard information on the subject but another possible explanation may be that Gold Fields' management wants to give the market plenty of time to digest the figures, which are expected to be accompanied by the substantial provision against the value of the loss-making U.S. industrial interests.

مكاتب الأعمال

هكذا صدر الأصل

A new angle on MIRAS by **Eric Short**

Mortgage choice dilemma

"How happy could I be with either
were t'uther dear chormer oucy"
Beggar's Opera

"The more alternatives, the more difficult the chnice"
Abbé d'Allainval

IT IS now less than four weeks to the changeover to MIRAS (Mortgage Interest Relief at Source), under which most borrowers will pay their mortgage interest net of basic rate tax to the bank or building society.

Last week we discussed which borrowers were affected by MIRAS and the implications for those borrowers. We discussed the alternatives to the repayment method of paying off a mortgage.

We pointed out that there were three alternative repayment systems for existing borrowers:

● The constant net payment, under which the net payment increases on changeover (though the amount paid to the building society falls) and remains at a fixed level for the outstanding mortgage term while interest and tax rates remain unchanged.

● The extended term payment where the net payment remains unaltered on changeover and stays at this level, hut the mortgage term is extended.

● The gross rate payment which mirrors the present system under which net payments rise each year.

Only certain building societies offer all three alternatives, most only offer the first two. But with all societies the borrower will he put on the constant net payment method unless he elects otherwise. This does not apply to those societies which only offer the third method.

However, for borrowers using the repayment method, there is a further alternative—to switch to the endowment method of paying off the mortgage.

We have discussed the pros and cons of the two methods in these columns, but MIRAS, and the reaction of most building societies, has changed the parameters.

Most building societies are now including in their MIRAS literature to borrowers a letter pointing out that MIRAS has effectively made a low cost endowment mortgage significantly more attractive and that borrowers may wish to consider changing from a repayment method. How valid are these claims?

The endowment method is a fixed payment method, so now it can he compared directly with the constant net payment method. And on figures alone, the building societies' claim can he justified for many borrowers.

Table 1 shows a comparison of costs between the two methods for an existing mortgage. The figures speak for themselves. The example uses the premiums quoted by London Life, one of the most competitive life companies on the market, and incidentally one of the very few that does not pay commission.

The endowment method provides automatic life cover, so that the mortgage is repaid should the borrower die before the end of the mortgage term. So in making a comparison, the constant net payment should include the cost of a mortgage protection policy to provide that life cover.

The low cost endowment also offers horrowers the prospect of a tax free lump sum remaining after the mortgage is repaid, arising because life companies use conservative bonus assumptions in their costings. So borrowers can select life companies on premiums, or on the overall return.

This is, however, just one specific example. Each borrower needs to compare figures for his particular situation. The minimum term for a life policy is 10 years. So the next consideration is the choice of life company.

There are around life companies marketing low cost endowments. Table 2 shows a selection of companies for this particular example showing the net monthly premium and the projected cash sum on current bonus rates.

The choice is not an easy one, but there are three factors that need to he taken into consideration:

● The premium level.

● The overall return.

● The prospects for the life company.

Some borrowers need to contain payments so they will select a company quoting a lower premium. Others who can afford to pay more can select a compaoy for the overall return.

Companies such as Standard Life, Scottish Amicable and Equity and Law charge higher premiums, hut offer the prospect of higher bonuses. Borrowers should remember that the quoted cash sums are in money values at the time of maturity and not present day values.

Many building societies, in their letters, tell borrowers that they have arranged schemes for switching with certain life companies on special terms (usually those companies with whom they arrange house insurance. Those special terms are usually no more than a handling of the administration by the society, and the waiving of the medical evidence requirement so that borrowers pay ordinary rates on the endowment whatever their state of health.

The medical facility is invaluable for borrowers in poor health, who should switch without a second thought, unless they already have mortgage protection cover. But as the table shows, most life companies will in any case offer ordinary rates if the borrower can satisfactorily answer one or two simple health questions.

Secondly, an insurance company with a good insurance record is not necessarily a top life performer. The table includes most companies being recommended by building societies. It is interesting to note that the company on most building society panels, Legal and General, charges a rather high premium because of conservative bonus assumptions hut offers the prospect of a large cash sum on its ordinary low cost. The compaoy does market other schemes.

A registered insurance hroker would give borrowers impartial advice on switching, recommending life companies for their performance and prospects, though not London Life or Equitable Life since those companies do not pay commission.

My local building society has linked with a local registered insurance broker to provide switching advice and among the hroker's recommendations are Standard Life, Friends Provident and Norwich Union. One hopes that other small societies, at least, are using local expertise.

Finally, borrowers need to remember two basic points in making their choice. If and when interest rates rise again, the borrower under the repayment method can keep payments unchanged and extend the term. With an endowment, he has to keep the term unchanged and pay the higher interest payments.

Moreover, the low cost endowment is flexible so that when the borrower changes houses and takes a fresh mortgage he can extend the term of his existing policy and take out a new policy for the additional mortgage without evidence of health.

But he could come under subtle pressure from a commission hungry agent to cancel his existing policy and take out a new one with another life company—pressure that may be hard to resist if the borrower wants the particular house.

TABLE 1

Man aged 39. Outstanding mortgage £15,000. Term to run 20 years

Constant net repayment Gross interest 10%	£	Endowment method Interest rate	10½% £	10¦ £
Net monthly payment	117.99	Net monthly interest	89.69	91.
Net premium mortgage protection policy (London Life)	3.12	Low cost endowment monthly premium (London Life)	27.64	27.
Total monthly outlay	121.11	Total monthly outlay	117.33	11?

* Many building societies charge an administration fee since London Life does not pay commission

TABLE 2

Low cost endowment man aged 39. Outstanding mortgage £15,000. Term to run 20 years

Company	Net monthly premium £	Projected cash surplus: Without terminal bonus £	Projected cash surplus: With terminal bonus £	Medical requirements: Approved Block Offer	Medical requirements: Individual
London Life	27.64	3,162	8,820	Simple proposal	
Friends Provident	28.30	3,188	9,421	waived	simple
Yorkshire-General (non-smoker)	28.48	3,394	8,654	waived	
Equitable Life	28.64	2,703	6,686	normal requirements	
Eagle Star	29.03	3,567	8,377	waived	normal
Norwich Union	29.03	2,988	7,823	waived	normal
Standard Life	29.11	3,501	10,613	waived	simple
Scottish Amicable	29.41	3,227	10,062	waived	simple
Royal Life	29.54	6,161	7,748	waived	simple
Clerical, Medical	29.58	3,044	7,480	simple proposal	
Yorkshire-General (smoker)	29.75	3,394	8,654	waived	
UKP	29.88	3,116	9,809	waived	
Scottish Widows	30.18	3,170	8,257	simple proposal	
GRE	31.65	1,911	4,300	waived	simple
Sun Alliance	31.70	3,236	7,885	waived	normal
Equity & Law	31.93	2,836	11,575	simple proposal	
Legal & General	32.56	4,071	10,441	waived	normal

Pensionspeak

IF YOU are not sure of the difference between a reversionary and a contingent annuity, and are hazy about how the Superannuation Funds Office relates to the Occupational Pensions Board, if at all, then cheer up, for help is at hand.

Everyone baffled by pension fund jargon about GMPs or AVCs can now turn to a dictionary of "pensionese" which has heen produced by the CPIC (just in case anybody has forgotten, that stands for the Company Pensions Information Centre).

Every industry builds up its own technical language, and the pensions industry is certainly no exception. But the particular problem with pensions jargon is that all kinds of non-specialists are liable to come across it, either because they are themselves members of pension schemes, or because in their work as personnel officers or union officials they occasionally become involved in pension fund issues.

The brightly produced booklet is illustrated with suitable cartoons, and contains explanations in alphabetical order of some 200 commonly used words and phrases, ranging from A for Accrued Pension to W for With Profit.

So there is no longer any need to feel left out of things when the conversation comes round to the LRP. You will know that this stands for Limited Revaluation Premium.

And a quick flip through the booklet will have told you that it is the payment to the State scheme made by a scheme's trustees when a member leaves the scheme and the trustees wish the state scheme to be responsible for increases in the GMP.

The GMP? Well, you will already have known that a Guaranteed Minimum Pension is the minimum amount that must be provided by a company scheme which is contracted-out.

Contracted-out? Well, companies can choose to be in the State scheme, or they can choose to be out. And when they are in they are in, but when they are out they are contracted-out. Except that they may still have to pay State scheme premiums, of a size determined by the MLI.

The MLI? You can read all about it in "*What Pension Terms Mean*," single copies of which are available free if a sae of at least 10 in by 7 in is sent to Company Pensions Information Centre, 7 Old Park Lane, London W1Y 3LJ.

Barry Riley

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Terry Garrett on a new Jersey-based Japanese investment fund

How you can catch up on the rising yen

ARBUTHNOT LATHAM might have looked brighter had it launched a Yen fund five months ago rather than now. But the gift of hindsight is something we can all enjoy, its reliable foresight that comes less frequently, and Arbuthnot's new offshore fund is in plenty of time to catch the Yen before it runs out of puff.

Arbuthnot Securities (C.I.), the Jersey-based offshoot of the British bank, got its roadshow rolling this week to promote a new offshore vehicle, the Arbuthnot Yen Bond Fund, aimed at both UK and non-UK residents who fancy a double play on Japan's currency and its fixed interest market.

It will be an open-ended company operating in a similar way to unit trusts though with the obvious benefit of a tax haven for a home. In a few months it hopes to get a stock market quote.

The investment aim is to hold Yen-denominated, fixed-interest or convertible stocks. Primarily, and initially virtually exclusively, Arbuthnot will be buying Samurai Bonds. These rather exotic-sounding investments are Japan's equivalent of Britain's Bulldogs or U.S.'s Yankees.

Samurais are issued by non-Japanese institutions such as international organisations, foreign governments and major corporations. The World Bank and Australia are among the big issuers of paper in the Samurai market and last year groups such as Dow Chemical and Procter and Gamble raised money.

For non-Japanese investors the Samurai market has the attraction of being free of Japan withholding taxes and after Jersey has taken its miniscule bite income of the fund will be distributed gross to shareholders each quarter.

Arbuthnot, with the help of its investment adviser Cazenove and Nomura International, will also participate in other tax-free investments such as Euro-Yen bonds, a market still in its infancy, the Gensaki market which is made up of short-term Japanese Government and other bonds and Euro-Yen deposits.

The fund managers hope for a yield of 6 per cent and to beef up capital appreciation convertible stocks may also be bought, although the fund will not hold on to switch into Japanese equities.

ARBUTHNOT YEN BOND FUND

Arbuthnot may have missed its chance to get into Japan when the Yen was weak a few months back but even so the pundits virtually to a man, are bullish about the medium-term outlook for the currency.

Although Japan's economy has been hit for the first time in nearly a decade by slack demand both at home and overseas prospects for 1982 are brighter and a weakening of the oil price can only be good news for industry's energy costs. The Yen's rise against sterling may have stalled but there seems precious little to prevent it soon resuming its climb.

While everyone seems to agree about the outlook for the currency not all share Arbuthnot's enthusiasm for Samurai bonds. Arbuthnot argues that interest rates are likely to fall and indeed the Japanese bond market is hoping for a cut in the discount rate later this month. But then it was looking for one in February only to be disappointed.

More specifically the Samurai market is not the easiest to deal in and at least one major Japanese investment house thinks that technical factors will inhibit Samurai prices in the near term. Evidently most active buyers of Samurais have a pretty full book at present and a number of new issues are in the pipe-line.

Still any imbalance should only have a temporary impact in putting a brake on bond prices and arguably could be good news for Arbuthnot as it establishes its portfolio. Also there is evidence that domestic investors are redirecting their cash towards their own bond market and foreign buyers seem to be stepping forward in increasing numbers. So the demand seems to be there to counterbalance any rise in the amount of Samurai paper hitting the market.

Arbuthnot's Yen Fund could appeal to those investors wanting to direct a small slice into Yen securities — perhaps more on the back of currency hopes than anything else — and still achieve a reasonable income return which the Samurais can provide.

A minimum investment of £500 keeps the fund within the reach of modest sized private portfolios and in the initial subscription period to March 25 the front-end charge is one point lower at 4 per cent. Management charges run at a ¼ point every three months.

The Fund is hardly geared towards mass appeal but there is a modest resurgence of interest in Japanese bonds. Save and Prosper, which launched its S and P Yen Bond Fund (also offshore) in 1979 admits that initial interest was scant but just recently more money has been attracted.

And an investor who got into that fund at the start could have seen a sterling appreciation in his investment of over 90 per cent so far. History can, and often does, repeat itself, only the timing is far from certain.

Swapping shares with son

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I refer to the article "A Weekend Break before the Budget" by Clive Wolman (February 5 1983) and the high cost of the transaction he describes of about 5 per cent in all against just 2 per cent under the previous practice of bed and breakfasting within an account.

As my son and I previously independently bed and breakfasted shares in our own portfolios, I am suggesting that a mutual exchange of shares be made between us at the middle market price shown in the FT independently without the intermediary of a stockbroker, thus limiting the cost of the transaction to the 2 per cent stamp duty payable. The shares would of course be in different companies.

Presumably these transactions would be effected by the simple completion of a transfer form, on which would be endorsed the stamp duty, and then mailing with share certificates to the Company Registrar.

Do you agree that this is a viable method to achieve the same end positions of Bed and Breakfast, and higher base values; and what are the mechanics of effecting such a transfer, and establishing the price and date of transfer to the satisfaction of the Inland Revenue?

A further object of the exercise is to transfer a larger amount to my son to take advantage of the annual exemption on gifts for CTT purposes.

Sales between father and (adult) son are indeed an effective method of establishing chargeable gains (but not losses), as are gifts. For CGT purposes, the disposal will be deemed to have taken place at the quarter-up price (or at the middle of the marks, if that gives a lower figure, so the deemed CGT price cannot be known when the sale contract is made (except perhaps if the Stock Exchange is closed on the day of the sale).

An exchange of letters should set out the terms of each bargain between you, and transfer documents should be executed at the same time, if conveniently possible.

VAT and building work

I was interested to read the reply under VAT and Building work to the query about VAT in relation to roof felting (January 29).

I have just had the identical job done and when I enquired of the VAT people I was told that the builder was quite correct to charge VAT for the felting.

It was pointed out to me that if the sole purpose of the work was to put insulated felt on the roof which was not there before, it would be zero-rated, but as the roof needed repairing, the felting was incidental and therefore VAT was chargeable. I pointed out that it was unlikely that I would have all the slates removed and the battens smashed up and renewed just to put felt under the slates.

The whole business seems ludicrous to me. I still feel that your verdict that the felting should be zero-rated is correct but what can one do about it if the VAT people disagree?

If you wish to pursue an argument with the Customs and Excise regarding VAT you can take an appeal to a Value Added Tax Tribunal. Your local VAT office will give you an explanatory leaflet which describes the procedure. The Tribunal is independent of the Customs and Excise.

With regard to zero rating in respect of alterations to property the law is to say the least unclear. We would not like to say what your chances of winning your point at the Tribunal would be.

Grids, gates and a right of way

I own freehold agricultural land in Sussex which has a tenant farmer. A right of way runs along one edge of the land, and a neighbour has installed two cattle grids and gates just inside my land without my permission or that of the tenant farmer. Could you please advise me as to my legal position?

The grids and gates are trespasses on your land and you would be entitled to remove them or to obtain an injunction requiring their removal. This may, however, be negated if the person responsible for installing the grids and gates is a dominant owner entitled to use the right of way — at least so far as the grids are concerned: since the dominant owner is entitled to enter and make up the physical surface of the way.

A student's maintenance

Under A Student's Maintenance (November 29th 1982) you answered a reader's enquiry about Student Covenants and the right to Social Security.

Could you please enlarge on this? Is there any way in which this problem can be avoided—apart from cancelling the Covenant and starting again? And could you please indicate the form of words in a fresh covenant that would eliminate the problem?

You may need to cancel your covenant and start again. It is important to have the payment dates under the covenant such that it can be seen to provide maintenance during term time only, eg. 1 October, 2 January and 1 April in each year. You will find a useful and comprehensive guide in Which? magazine for September 1982 at pages 578-522 with a sample deed set out.

Expenses and part time work

I am employed in local government with a salary of £16,000. I work for examination boards as an examiner. This year I have been elected a director of our local co-operative society. Directors fees are £250 per annum. I am reimbursed the cost of travel to board meetings (weekly) at about 15p per mile and I live some 25 miles from head office. Tax is deducted at source from these fees and expenses.

(a) What expenses can I claim in connection with my duties as a director? No one in their right mind could suggest that one puts in such time and effort for the money. Can I claim the cost of petrol to attend meetings of the board?

(b) Do you think that that the Inland Revenue would accept the income from examination fees and directors fees being used to provide a "self-employed" pension?

(a) First Question—None, probably.

Second Question—No, as you will see from concessions A4 (Directors' travelling expenses) in booklet IR1 (Extrastatutory concessions), which is obtainable from most tax inspectors' offices.

(b) Yes, for the director's fees, and possibly for the examiner's fees (if they have been assessed under case II, but not if they have been assessed under case VI).

B & B and gifts to daughter

I sold shares which show a profit of over £10,000. I intend to make most use of the £5,000 Capital Gains Tax exemptions by "Bed and Breakfasting" for myself a gain of £5,000.

1—Can I also transfer some of the shares to my daughter (aged 24 years) in say March 1983 and allow her to "Bed and Breakfast" the shares to claim a tax-free Capital Gains of £5,000 also in say April 1983? I understand it involves "Roll-Over Relief."

2—Will you also inform me of the latest conditions of "Bed and Breakfast" transactions as I believe they were modified in the last Budget?

1—Yes (but allow time for completion of the formalities and bear in mind that April 1 is Good Friday). You and your daughter must jointly elect for roll-over relief.

2—Your broker will be able to make suitable arrangements, if you do not leave things to the last minute. There is more than one way of avoiding identification under section 88 (4) (b) of the Finance Act 1982.

Unit trust and B & B

In your reply about Bed and Breakfast transactions on January 22, you stated the position with regard to the sale and immediate re-purchase of shares. Is it possible, please, to do the same for unit trusts?

Yes: your stockbroker should be able to make arrangements under Rule 163. Whether the expense is worthwhile must be a question for your personal judgment.

Proceedings for possession

My wife and I jointly own our property, but we have a lodger who occupies a spare room. We would like the use of the room sometime in the future. Should a problem arise, can I obtain an eviction notice myself, as my wife would not wish to get involved in any legal action?

If you were to take proceedings for possession of the room it would be necessary for that to be done in the joint names of you and your wife, since you must have been joint lessors. However, your wife need not take any active part in the proceedings. You should not assume that you would necessarily be able to recover possession, as it is likely that the lodger is a tenant whose tenancy is protected under the Rent Act 1977.

Alan Friedman looks at the latest Barclays account

High interest with snags

THE High Street hattle for the hearts and minds (and deposits) of the British saver moved along this week with an announcement from Barclays Bank, more than two years after Lloyds Bank introduced its Cashflow interest-bearing current account; that it too would offer such an account.

Barclays becomes the third of the Big Four clearers to come up with the idea, after Midland's Save and Borrow account last September. Barclays calls its version "Cashplan" and is offering its current account customers the chance to earn 6½ per cent interest (gross) on credit balances.

This compares with Lloyd's 5 per cent and Midland's 6¾ per cent, and incidentally, with a range of 4 to 6¼ per cent (net), depending on the size of the balance, paid by Abbey National on the new cheque-save account it launched on Tuesday.

Moles inside Barclays Bank confirmed this week that the *timing* of its *launch* of Cashplan, also on Tuesday, was no coincidence. Mr John Fry, general manager of marketing at Abbey National, said: "I don't think it was incidental."

What is Barclays offering? The 6½ per cent interest may sound attractive at first, but customers who use Cashplan will face a swingeing 40p per cheque charge and 20p on each direct debit.

In addition, the save-and-loan programme requires Cashplan customers to transfer at least £10 per month from their normal current accounts. They may agree a monthly credit line of up to £3,000, for which they will have to pay interest of 18¼ per cent, a true annual rate of 19½ per cent.

This compares with an interest charge of 3 to 4 per cent over base rate for normal current account overdrafts, or around 14 to 15 per cent.

Ron Dawes, Barclays' marketing manager, says the bank has built an account "which has everything in it." But he agrees the whole concept of such interest - bearing current accounts was designed in part by the banks to answer criticism that they have refused to pay interest on current account balances so far. He also admits that Cashplan is not for everyone.

Mr Dawes agrees that the relatively high cost of cheques and debits for Cashplan customers means it is really most attractive to customers who do not plan to write many cheques. The standard Barclays cheque charge is 28p for normal current accounts and not 40p. And Barclays current account holders with a minimum £100 balance don't pay a penny for cheques.

One of Mr. Dawes' strongest arguments in favour of Cashplan appears to be that there are "people who prefer loans at the point of sale without dealing with bank managers, referring to those borrowers who are embarrassed to enter what he calls "the inner sanctum."

But if a customer is a good enough risk to obtain a £3,000 overdraft (at 18¼ per cent) through Cashplan, is the same customer not worthy of an agreed overdraft through his normal current account (presumably at a lower rate)? Yes, says Mr Dawes, but "it is up to each customer to decide what his needs are."

Barclays is by no means the only bank to attempt to lure interest-hungry customers with an account which, if not fastidiously managed, could prove costly to operate. Both Lloyds and Midland accounts run along similar lines. And NatWest is still working out what it wants to do and has no such account.

These interest-bearing current accounts can be extremely useful to customers who know how to run them properly. But at first glance the interest carrot seems disproportionately larger than the customer-charges stick.

Bonanza for the workers

COME November 1985 about 1,700 or so shrewd employees of B.A.T. Industries will have a chance to buy shares in their company at 243p. Assuming, of course, that the B.A.T. share price continues to trade at or above its current level of 655p —it has been as high as 740p in the last 12 months — these lucky people will be sitting on a hefty and, what's more immediately realisable capital gain.

Even if things go wrong— and for some unforeseen reason the shares crash—the Government will still pay the investors a guaranteed annual tax free *return of 10¼ per cent* on *money* they are currently saving up.

The reason is an Inland Revenue approved share option scheme set up by BATs in November 1980 under the provisions of the Finance Act of that year. A total of 200 UK companies have now taken advantage of the arrangements with a further 49 awaiting Revenue clearance. Roughly 100,000 UK employees are believed to be involved but the point is that others are missing out.

While the current stock market strength has highlighted the potential gains to be made from equity investment the fall in interest rates generally has made the savings contract linked to the Share Option scheme—the Save As You Earn 4th issue—even more attractive than before.

Take a look, for example, at other savings certificates. Currently available from the the Department of National Savings is the Second index-linked issue or the 25th issue of National Savings certificates giving an annual 7.51 per cent tax free over five years. Yet the SAYE 4th issue still yields a juicy 10.43 per cent tax free over the same period. The rates were set when interest rates generally were much higher and have never been altered.

In a nutshell share option schemes give employees the right to buy shares at a predetermined price from the proceeds of either the SAYE fourth issue or an equivalent building society "Sharesave" scheme. The option price must not be less than 90 per cent of the market value at the outset of the savings period. But no income tax is paid at the time of purchase with capital gains tax the only liability when the shares are ultimately sold.

The most appealing feature of the scheme is that individuals do not have to exercise the options if the share price falls. They can, however, take the proceeds of the completed SAYE contract with its currently generous looking return. Heads you win, tails you certainly don't lose unless inflation rockets back up over 10 per cent.

Interest in share option schemes has certainly picked up in the last 12 months but such schemes are still not as widely used as the profit sharing provisions introduced in 1978. Under these arrangements there is no requirement for employees to save though there are other conditions.

This commitment to save is often cited as a reason for the slower take off of share option schemes. Under the 4th issue individuals have to make monthly contributions — starting when the option is granted — so that money builds up to pay for the shares. At the end of five years they can take the 60 monthly payments plus a bonus equal to 18 extra monthly payments (the equivalent of 10.43 per cent per annum tax free). Alternatively they can continue the payments to year seven and take a bonus equal to 36 monthly payments. This is equivalent to 10.64 per cent per annum free of all taxes.

Turner and Newall employees are among those who may be grateful for this return. With the company's share price currently languishing at 26p there is a lot of ground to make up before the £1.30 option price which 700 of them were granted, in May last year, starts to look enticing.

Tim Dickson

Options from WestAvon

INVESTORS KEEN to join in the action on the U.S. traded options markets but unsure of how to go about it can now gain entry by means of a Guernsey-based unit trust.

WestAvon Securities, a licensed security dealer with offices in Bristol, this week launched its Guernsey U.S. Dollar Option Fund.

Units in the new fund have gone on sale in an initial offer until March 1. The minimum subscription is 5,000 $1 units although applications sent in before the closing date will be charged at a special discount price of $0.98 each.

WestAvon director John Funnell hopes the new fund will attract $5m worth of funds within a fairly short time.

WestAvon's first venture into options-related unit trusts, the Guernsey Gilt and Option Fund, has done quite well since it was launched last September. With an initial target of £500,000 it has now attracted £580,000 worth of funds.

The first fund, which invested in gilts and then used them as collateral for its forays onto the London traded options market, was something of a try-out for WestAvon, which was keen to gain experience in setting up the organisation to handle such a venture.

With the London fund now operating smoothly WestAvon wants to attack the far larger U.S. markets. London trades options in only 18 stocks and has still a long way to go before it can achieve anything like satisfactory volumes.

In the U.S. more than 360 options are available on the Chicago, American, Philadelphia and Pacific exchanges and the option concept is well established.

Chicago: things move but the options market is well established

WestAvon's new U.S. fund aims, like the London trust, to produce capital growth. It will use two strategies to achieve this end.

Firstly, the fund will buy stock in the market and then "write," or sell, a corresponding number of "call" options for which a cash premium is received. High commissions and

If the value of the stock declines, the call option will expire unexercised. The fund remains the holder of the depreciated stock, but has earned some income in the form of the option premium.

If the buyer of the option decides to exercise it and "calls away" the stock, the proceeds, to WestAvon, should still provide a suitable rate of return on the total funds invested, the company believes.

Secondly, WestAvon will buy U.S. Treasury bills and "write," or sell, "put" options, against the collateral of the bills, for cash premiums. The premiums should provide the fund with predetermined rates of return on the money invested. The risk remains that the fund may have to take up the stock and the Treasury Bills would then be sold to finance this.

The new dollar unit trust is a "purer" option fund than the London venture in that stocks will only be bought when a call option can be written against them. In London "put" options are only written when the rather restricted market conditions allow.

The risk inherent in the operation is that the fund will be obliged to take delivery of the underlying stocks if it gets its assessment of the market wrong.

In London to date WestAvon has written about 50 "put" positions and been required to take up stock three or four times. The fund is currently carrying two shareholdings worth £39,200 out of invested funds of £580,000.

WestAvon, founded ten years ago by Funnell to provide a "one-stop" package of financial services, has been the first UK group to go in for option-related trusts.

In spite of speculative associations of traded options it has promoted its two trusts as conservative investments.

Its London options trust, with a current unit price of 103p has performed well relative to other purely gilt-oriented offshore funds during its very short life.

It remains to be seen though if WestAvon can be as successful in the far more sophisticated U.S. traded options markets. Investors really keen to have a go at options might also ask if this fund's conservative approach appeals to them.

The alternative is to opt for a more conventional dollar fund for most of your money and put a small part of your funds directly into options.

Charles Batchelor

CGT: the way to easy breaks

STOCKBROKERS have dreamed up a cheaper method for Stock Exchange investors to crystallise their profits or losses on shares for capital gains tax purposes without having to take a "weekend break."

Towards the end of previous *fiscal years on April 5*, investors could sell shares late one afternoon and buy them back the next morning. They would be charged only one set of commission by their brokers, pay a smaller jobber's turn on the two transactions and would avoid any liability to stamp duty.

But the crucial section 88(4) of the 1982 Finance Act, which was introduced as part of the new rules for indexing capital gains, struck down those transactions where the shares sold could be identified with those bought back again. If, however, the re-acquisition was made after a weekend in which a new Stock Exchange account began, there would be no identification. However investors would then have to pay stamp duty and two lots of commission for taking this "weekend break."

An alternative method for avoiding the identification rules was thought out by Mr Bernard Itzcovitz of stockbrokers Simon and Coates. This involves physical delivery and payment for cash for the shares rather than settling at the end of the account period. The investor still has to pay stamp duty with this method and he is put to more inconvenience. But at least he avoids the second set of commission.

The Inland Revenue has given qualified approval to the method, provided that Mr Itzcovitz's procedure is followed precisely, and the Stock Exchange committee last week re-interpreted its rules to permit only one commission to be charged.

The shares should be sold, as before, late one afternoon. But in advance of this, the investo should give his share certificat and transfer form to his broker so that he can physically delive the certificate to the market and ultimately, to the buyer. Normally he will do this onl a week later, to give the jobbe a chance to check the admin strative details.

On the morning after th sale, the shares are re-purchase but once again delivery delayed until a week later.

One unresolved question whether the jobber can charg a smaller turn on the two tran actions without incurring th wrath of the taxman. Accordin to Mr Itzcovitch: "The brok shouldn't have to say anythin explicitly to the jobber—u that he is doing a cash settl ment, and give him a wink."

To be on the safe side, co sider asking your broker send you a letter saying th the shares have been purchase for cash in accordance wi your instructions.

The introduction of index tion has made it mo complicated to calculate th circumstances in which the ne style bed - and - breakfastin should be used to take ma mum advantage of the £5,0 CGT exemption. In particul beware of selling and buyin back a share that has fallen value to crystallise the lo Subsequent indexation to t Retail Price Index will st against the lower re-purcha price.

● As mentioned on these pag four weeks ago, it is al possible to use profits or loss on commodity transactions increase or offset those on yo share-dealings.

But this applies only if yo tax inspector is willing to tr commodity profits as cap gains rather than as income and this in turn depends highly technical interpretatio of tax law.

Clive Wolma

PROPERTY

Ideal homes of today and tomorrow

BY JUNE FIELD

WITH ALL the technology that is around and on its way in the home — closed circuit television, computer controls, temperature and humidity sensors, are tomorrow's houses really going to give us what we want and need?

In Arizona, architect Charles Schiffen's "House of the Future" claims a "human" touch by greeting the family by name as they come in the door (via a code on a touch-pad), and a computer will remind them of their appointments for the day.

Nearer home, the Milton Keynes' Information Technology House at Great Linford, Buckinghamshire (open until April 4), has a computerised work-station to store household accounts, recipes, shopping lists, freezer and larder inventories — no more searching for the sugar, tuna or cornflakes. You can also go in for armchair shopping, home banking, get burglar and fire alarm warnings, and have that most essential service, electric and gas meter reading, carried out by remote control.

And a delightful little robot animal, a Turtle, a dome-shaped push-along toy programmed in the Logo language, will keep the kids quiet for hours. Feed it with a particular pattern or shape and thereafter on the command of, say, "square," it will draw one.

But should I always rely on technology to draw the curtains, switch on the television set and run my bath? Or have the headboard of my bed full up with what is called "entertainment equipment" which gets in the way of the pillows? By all means give me a television aerial socket in the bedroom, something so often considered an unnecessary luxury by builders of middle-market homes. And of course microelectronics are a boon to the disabled, enabling those with restricted movements to cope with the basics of everyday living.

Lord Campbell, chairman of Milton Keynes' Development Corporation, made a pertinent observation at a Royal Society of Arts lecture last year by David Firnberg, managing director EOSYS, acronym for Electronics Office Systems. Lord Campbell said that he still remained to be convinced that information technology will be the friend of *all* sorts and conditions of men, and that it will not make men *its* servants rather than the other way round.

Before we get too brainwashed by technology (what happens to the wonder-world when there is a power cut?), I think we should consider some of the more banal details of comfort and convenience. For instance, such as making sure that in family homes with only one bathroom, builders provide a separate lavatory unit.

And architects and designers have got so swept away by the idea of fully-equipped kitchens, fitted units and worktops, that in many of the kitchens in quite highly-priced homes I have *seen* recently, there is nowhere to sit down. No, not necessarily to eat, as separate dining-rooms are back in fashion, but to prepare the food that is not suitable for the automaton's touch, to read a recipe, or just take the weight off one's feet. And there is not always proper space to drain the dishes that are not suitable for the washing machine. Oh, for the ubiquitous plate-rack of the past!

Then there is the utility-room, helpful extra space now often provided to accommodate washing machine and tumble-*drier*. But please let us have a little sink as well so that we do not have to hang our smalls in the bathroom(s).

While at the front door, why is there so often a glass panel to nullify security? And what about some more storage space, perhaps in the garage . . . I could go on, but already I can hear the builders cry that anything that is different from the usual adds to the cost.

A significant step forward is that the Institute of Housing and the Royal Institute of British Architects have launched *Homes for the future*, a new set of standards based on those of Sir Parker Morris which were abandoned last year.

In the last 20 years since the publication of the Parker Morris Report *Homes for Today and Tomorrow*, the housing scene has obviously changed dramatically. For instance, the present standards of sound insulation required by building regulations are considered to be inadequate, bearing in mind what is referred to as "the high ownership of audio equipment."

A variety of items are touched upon, from the provision of drying cupboards, where there is no external clothes drying facility, to easy-to-clean windows, and *the size of a bedroom* (it should be of a shape that will accommodate a bed in more than one position), plus orientation — "each dwelling should ideally offer a choice of both 'active' and 'passive' views." (The publication is £7.50 plus 75p postage from Tom Blackburn, RIBA, 66, Portland Place, W1, or Bill Randall, Institute of Housing, 12, Upper Belgrave Street, SW1.)

California-style "Oakridge," 4 bedroom, 3 bathroom detached house which is being featured in an adapted version for the British market at the Ideal Home Exhibition which opens at Earl's Court on Tuesday until April 4.

Some of the latest offerings from the builders are on show at the Daily Mail Ideal Home Exhibition which opens at Earl's Court on Tuesday, until April 4, every day including Sundays and Easter holidays, from 10.00 am to 8.00 pm.

Potten's 2,700 sq ft mock-Tudor comes in a kit complete with inglenook and Suffolk latches. A planning application pack with six sets of plans and elevations is £25, full technical documentation to obtain building regulation approvals plus two complete sets of technical drawings, structural calculations, test reports and so on is £100 (both plus VAT).

Barratt Developments are featuring "Oakridge," a four bedroom, three bathroom home I saw in California the other week. They have adapted it slightly, adding a sauna and converting two of the baths to the whirlpool variety. It is expected to sell in Britain for around £70,000 to £80,000 depending on location.

The companion offering is an apartment suitable for retirement, a market into which they have just put a foot. For some idea of what the sheltered accommodation costs, at Cove, Aberdeen, 17 one-bedroom bungalows are being built at around £22,500, with a monthly £21 charge *for* a round-the-clock warden service. The charge will be paid by the company for the first year. Latest sites are Edinburgh and Sutton Coldfield. "Basil," the Barratt computer, will be at the Ideal Home Exhibition to give a run-down on sites throughout the country of all their homes, as well as working out your mortgage repayments.

Wimpey Homes, with show houses at the exhibition for the first time, are promoting their Super Single, with interior decor by actor Martin Shaw of television's "*The Professionals*," as well as a single bedroom starter-home.

Wimpey Homes' complex of four showhomes at the Daily Mail Ideal Home Exhibition which opens at Earl's Court on Tuesday until April 4.

BRIDGE

E. P. C. COTTER

HERE ARE two hands from teams-of-four matches, which contain several points of interest. Look first at this:

	N	
	♠ 5 4 3 2	
	♡ Q 8 5	
	◇ 10 4 3	
	♣ Q 10 8	
W		E
♠ J 10 8 7 6		♠ 9
♡ 7 2		♡ K J 10 6 3
◇ 9 5		◇ A 8 7 6 2
♣ K 7 5 3		♣ 4 2
	S	
	♠ A K Q	
	♡ A 9 4	
	◇ K Q J	
	♣ A J 9 6	

With North-South vulnerable, South, surveying his 24 points, was surprised to hear East, the dealer open the bidding with one heart. He has only 8 points but he has two five-card suits, and at the favourable vulnerability it is good tactics to strike the first blow.

South doubled, and North said one spade. A response of one no trump is not recommended on weak hands, but perhaps on this occasion one no trump is preferable to a spade on such an anaemic suit. Played by North, three no trumps is impregnable. But perhaps this is hindsight. As it was, South shut his eyes and bid three no trumps.

West led the heart seven, and East's ten lost to the Ace. The declarer then led the diamond Queen, which was allowed to win, and followed with the six of clubs to dummy's Queen. To his surprise it held the trick. He returned a low diamond, and won in hand with his King, West dropping the nine. The picture began to take shape. East must have opened on 10 or 11 red cards. The three top spades were cashed, and East threw one club and one heart.

The endplay was marked. Cashing the Ace of clubs, South threw the lead with the diamond Knave. East made three diamonds and the heart King, but then had to let dummy score the heart Queen for the vital ninth trick.

Let us award points round the table. One merit point to East for his opening bid—without a heart lead, South has no problem. Three demerits for South's overbid of three no trumps—he should have bid two hearts—but three merits for his play. Five demerits to West for his failure to jump up with the club King and lead another heart, and finally, three demerits to East for not avoiding the endplay by taking the second diamond.

The next hand was dealt by East at game to East-West:

	N	
	♠ A 6 2	
	♡ K 7 5 4	
	◇ 6 2	
	♣ 8 7 5 3	
W		E
♠ 8 5 4 3		♠ —
♡ 9 3		♡ Q J 10 8 6
◇ K 10 5		◇ A Q 9 4
♣ J 9 6 2		♣ K Q 10 4
	S	
	♠ K Q J 10 9 7	
	♡ A 2	
	◇ J 8 4 3	
	♣ A	

East opened the bidding with one heart, and South's four spades silenced any further opposition. West shrewdly led a trump. East showed out, and the seven won. The declarer led the three of diamonds, and once again West showed excellent technique by playing his ten, operating a Crocodile Coup to prevent his partner, who could not lead a trump, from winning. Another trump from West was won by the Ace, and dummy returned the diamond six, East bravely played low. West took South's eight with his King, and removed dummy's last trump.

The declarer drew West's remaining trump, and decided that a squeeze and endplay against East was his only chance of success. If East had five hearts, which was almost certain, as well as Ace and Queen of diamonds, he could not escape. After cashing the club Ace, South ran all his trumps, which forced East down to Queen, Knave, ten of hearts, and the diamond Ace. South led his low diamond to East's Ace, and collected the last three tricks—Ace of hearts, Knave of diamonds, and the King of hearts.

CHESS

LEONARD BARDEN

WHEN Boris Spassky lost his world title to Bobby Fischer in Reykjavik a decade ago, it meant both personal and political trauma for the loser. Soviet chess authorities blamed him for defeat and for allowing Fischer to arrive late at the match. Spassky was barred from travel to individual tournaments in the West for nearly two years, while officials preferred Karpov as the rising star.

The ex-champion still had sufficient status to lead his own life in a way allowed few Soviet citizens. He married a French woman diplomat and settled near Paris, still with a USSR passport and able to play for the Russian team. Korchnoi called him a "one-legged dissident." Spassky's chess ambitions were limited by Karpov's score of around 10-2 in wins from their individual encounters and by the new champion's many tournament successes. When they met last year in the final round of the Phillips and Drew Kings in London, Spassky's tension showed. He got a won game but blundered into a simple trap which gave Karpov first prize.

Last week, unexpectedly, Spassky at last got revenge when he won the £20,000 Linares international, the strongest tournament ever held in Spain, half a point ahead of Karpov. Ulf Andersson of Sweden was the top Western grandmaster, but Tony Miles, the British champion, also had a notable result among the elite when he tied for fourth.

Scores were Spassky (USSR) 6½ out of 10, Karpov (USSR) and Andersson (Sweden) 6, Miles (England), Sax (Hungary) and Yusupov (USSR) 5½, Geller (USSR), Hort (Czech) and Timman (Holland) 5, Seirawan (U.S.) 3, Larsen (Denmark) 2.

So, a dent in Karpov's first prize record against super-GMs. Arguably the real Linares victor is the champion's young rival Kasparov who will now be only ten points or so behind in the world ratings. Karpov at Linares scored only one real win, the brilliancy against Sax given here last week. His second full point, sparked off by a blunder from the tournament tail-ender, contains an inner mystery.

White: A. Karpov (USSR).

Black: B. Larsen (Denmark).

Caro-Kann Defence (Linares 1983).

1 P-K4, P-QB3; 2 P-Q4, P-Q4; 3 N-Q2, PxP; 4 NxP, B-B4; 5 N-N3, B-N3; 6 P-KR4, P-KR3; 7 N-B3, N-Q2; 8 P-R5, B-R2; 9 B-Q3, BxB; 10 QxB, P-K3; 11 B-B4, KN-B3; 12 O-O-O, B-K2; 13 K-N1, P-QR4; 14 N-K4, NxN; 15 QxN, P-R5.

The opening till here represents current grandmaster debate, including another Karpov v. Larsen game at Linares 1981. Black's last improves on N-B3 and leaves White only a small edge.

16 N-K5, P-R6; 17 P-QN3, NxN; 18 PxN, Q-R4; 19 B-Q2, Q-B2; 20 P-KB4, O-O; 21 P-B5, PxP; 22 QxKBP, Q-B1; 23 QxQ, KRxQ; 24 P-B4, P-QN4; 25 K-B2, K-B1; 26 KR-KB1, K-K1; 27 R-B4, R-R2; 28 B-K1, R-N2; 29 R-N4, B-B1; 30 R(N4)-Q4, P-N5; 31 B-R4, B-K2; 32 P-B5, BxB; 33 RxB, R-N4; 34 R-QB4, R-B2; 35 R(1)-Q4, R-K2; 36 R-K4, K-Q2; 37 K-Q3.

Karpov has made the most of his extra space, and now prepares to guard both his pawns then attack the white NP. Black could keep both rooks attacking white pawns by K-B2, but prefers an active plan.

37 . . . K-K3; 38 R(K4)-Q4(1P) KxP; 39 R-K4 ch, K-B3; 40 R-B4 ch, K-N4?? 41 R-N4 ch, KxP?

Blundering into mate, but K-B3; 42 R(B4)-B4 ch, K-K3; 43 RxNP is hard for Black.

42 RxKNP; R(4)-N2; 43 R-QB1! Resigns. 44 R-KR1 mate follows.

Opinion at Linares was that Black should not have advanced his king, but what happens after 40 . . . K-K3? Seeing no obvious line I asked my Linares correspondent for the world champion's verdict. His enigmatic reply came back "The sacrifice was correct, it is necessary to work out the exact move after K-K3 which gives an easy win, and you have to find this yourself."

What should White play? 41 R-N4, P-B4; 42 R-N8 ch, K-Q2; 43 R-Q4 ch, K-B2; 44 K-B4 (aiming for zugzwang or doubled rooks on the sixth) is countered by R-K6 or R-K4. Eventually I found 41 R(Q4)-K4 ch, K-Q2; 42 K-B4 when Black, though a pawn ahead, still has problems due to the threat R-KN4 keeping the KNP under attack.

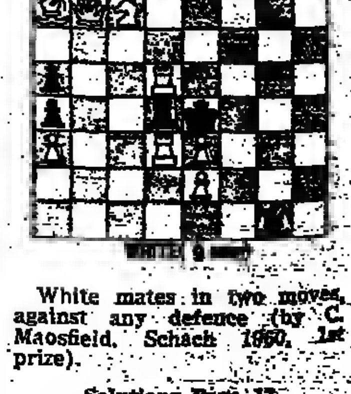
But meanwhile my man in Linares had approached the loser Larsen. "Of course K-K3 was right, it's an easy draw, Karpov was having you on," opined the Dane. So who was right?

In last week's game Black's eighth move should read N-B3 and White's ninth Q-K2.

POSITION No 463

J. Plaskett v P. Taylor, City of London Open 1983. Both sides have attacking chances, while Black (to move) has to salvage his threatened queen. How should the game go?

PROBLEM No 463



White mates in two moves, against any defence (by C. Mansfield, Schach 1950, 1st prize).

Solutions Page 12

هكذا صدر الأصل

هكذا أصل الأصل

Multi-culture shock in Cyprus

TRAVEL

ALAN FORREST

THE BRITISH arrived in Cyprus back in 1191 when Richard Lionheart's fleet was wrecked off the island. Our influence still survives in lots of ways—Cyprus's *unit of* currency is the pound (worth £1.28 actually), there are three British bases, a cup of tea is about the best I've tasted outside England, they drive on the left side of the road, and you can watch *Coronation* Street with Greek sub-titles in your hotel television lounge.

I hadn't visited the island since the late 1940s—I was a soldier myself then, but on my recent visit I was immediately again delighted by that unmistakable mixture of Britain with the Middle East and Byzantium. A few hundred yards from the ruins of a Roman temple you're quite likely to see a tiny building announcing: "Get your Littlewood's Pools coupon here."

Of course, you can't escape politics, and if you are the kind of person who wants to forget reality on holiday, Cyprus is probably not for you. Nobody can drive along the island's *roads without being reminded* of the Greek-Turkish confrontation—the straggle of pathetic refugee camps, occasional groups of Cypriot soldiers "on exercises" and the "frontier posts."

But it is the political situation that has inspired much of the new holiday development in the Greek zone of the island. The former jewels, Kyrenia and Famagusta, are now in the Turkish zone, virtually empty of tourists, and the Greek Cypriots are building new hotels and apartment blocks with an enterprise that makes one feel tired on an island where the temperature in high summer pushes 100 deg. F.

Enterprising, but in some ways rather *sad*. The new hotels we visited were very comfortable inside, service cheerful and efficient, but outside they looked like just another new chunk of the New Barbarism. I would be sorry if Cyprus in a few years time with its noble hills, spacious green plains and lovely Byzantine buildings begins to look like another Torremolinos.

The marina at Larnaca

So, you may well ask, why go to Cyprus? Well, first of all, I am not the kind of holiday-maker who wants to lie on a beach and become a brown vegetable. I love the presence of politics. For me, Cyprus, with its blood-soaked history really sets the adrenalin flowing. You are a few hundred miles from *the real Middle East — a two-*day cruise to Israel costs only £55.

But probably the big attraction is the cheap food and drink. Some of the new hotels offer self-catering facilities, and one has only to look at the prices in the supermarkets to realise that this could be a very good deal. For example, Cyprus produces its own bacon — a large pack in most supermarkets costs about 55p (British prices). Eggs are plentiful and cheap, and free range, too. Lamb and pork, locally produced, are cheap, and fruit (the island grows most of its own) so low-priced that many hotels throw in a bowl of fresh fruit in every room free of charge, and replenish regularly.

Drink, too, is cheap. I brought back a bill from a quite up-*market* bar in Paphos for two brandy-sours (the island's speciality, a delicious concoction of local brandy, angostura, lemon *juice and soda) and one* beer — about £1.60. In the liquor stores, a bottle of the best brandy on the island, Five Kings, costs about £3.

The local wine is good and low-priced—they even export it to France. And eating in hotels and tavernas is no stress on the pocket.—In the tavernas, the great Greek meal is the Mezze —a continuing flow of meats and seafood (you keep the same plate). We sampled one in Paphos—it was a fish mezze and included squid, octopus, bream, red mullet, large shrimps with salad and mushrooms, wine and Turkish coffee (for diplomatic reasons you order Greek coffee) and worked out about £6 a head.

Olympic Holidays is one of the *major* forces in the development of the Greek zone of Cyprus. It offers package holidays for about £300 for a week. One of the hotels in its brochure, the Kermia Beach, an apartment hotel at Ayia Napia, near Famagusta, offers lunch and dinner for less than £4. Breakfast at the Nicosia Hilton is less than £3.

As I've already said, I am not a beach man. And I can see that the present beaches would not satisfy people dedicated to the miles of soulless sand on the Iberian Peninsular. They look small and grass-dotted. But they have a beauty of their own, and the one at the Kermia Beach can take a few hundred layabouts in high season, I am assured. New beaches are being developed.

We didn't find the weather too good in late February. I can remember the announcement by the Cyprus Airways captain as we descended to Larnaca: "We shall be landing soon, the weather in Cyprus is pretty much as it was back in England." Actually, it was better—around 50 degrees the following morning, the sun was shining and the sea was that beautiful Mediterranean blue and I drank my first brandy for 40p.

Twice it rained, and we couldn't get to the top of the Troodos Mountains for snow. But I didn't have to don a jacket until early evening and three of our party went for a swim in the sea and felt exhilarated.

The ancient remains are magnificent . . . the Roman mosaics at Paphos are worth a detour to see, although a chauvinist in our party upset the Greek girl guide by saying: "We've got better mosaics at St Alban's." There are amphitheatres, museums, even a honeycomb of tombs old enough to have been used by the Egyptian occupiers of the island, and you can't walk far without tripping over a Byzantine *ruined* church or a pillar where St Paul was flogged.

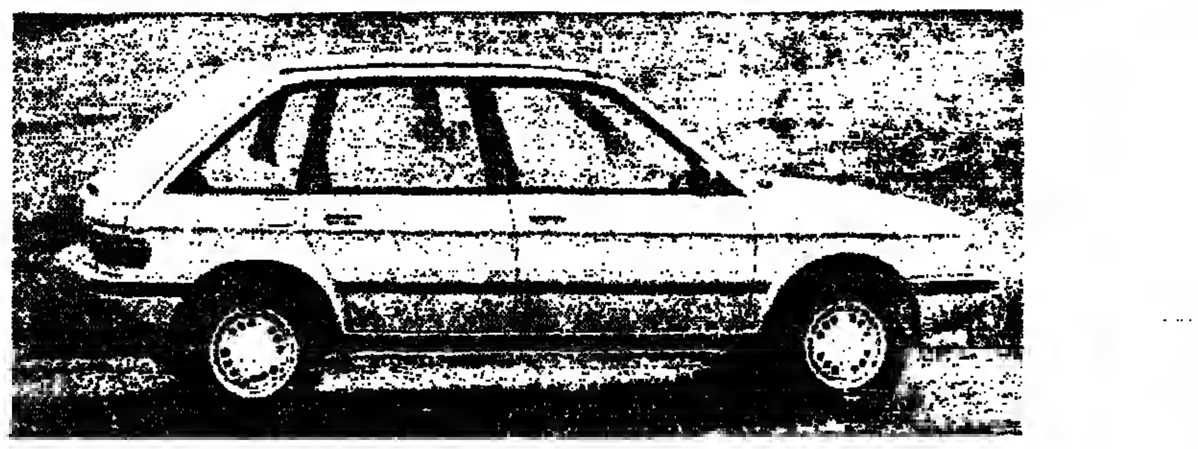
By this, you can realise I have renewed a love-hate relationship with Cyprus. Of course, I'd go back again. I think when the Government has sorted out all the building debris without too much blight, it could be one of the holiday boom areas of the eighties.

One morning in Limmasol we were pursued down a side street by an eager estate agent wanting to sell us a three-bedroom bungalow for £28,000. Even in February with the rain trickling down, it was a temptation.

But my favourite memory of Cyprus was a cool, sunny morning in Nicosia. We dropped into a bar for the regulation first brandy-sour of the day. The television was on and I had my back to it.

"Good heavens," my friend said, "look at that." I swivelled round and couldn't believe what I saw. We went out chuckling after two more drinks reflecting on where else could you sit drinking cocktails and watching a blue movie at 11 o'clock in the morning.

Maestro to the rescue



The Mastro. Good looks, keenly priced and it goes well, too.

MOTORING

STUART MARSHALL

METRO ASSURED BL's survival as a volume car producer; Maestro, which made its long awaited debut this week, could be a first step on the road back to profitability.

It is a thoroughly attractive car, whether one is considering the basic 1.3 at £4,555 or the £6,395 Vanden Plas 1.6 litre. In an age when so many new cars look like clones, fresh from the computer, the Maestro is refreshingly different.

Its glass area is enormous, with flush-fitted front and rear screens that look tidy and help reduce aerodynamic drag. The *deep indentation running down* the flanks at headlamp height avoids any risk of slab-sidedness. And the deformable, body-coloured front and rear protectors follow a most distinguished precedent—that of the Porsche 928.

Maestro's body is totally new. So is its coil spring suspension which breaks a more than 20-year run of Hydrolastic and Hydragas systems which always seemed to me to promise more in theory than they delivered in practice. The engines, as is so often the case with European cars, have been around a long time. But the 1.3 A Series (as used in Metro and Ital) and 1.6 R Series (developed from the Maxi's motor) are willing and economical.

The transmissions—gearboxes and final drives—are bought from Volkswagen. There are four kinds; a straightforward 4-speed used in the cheapest Maestros, a 3+E for the economy 1.3 HLE, a 5-speed with a high, overdrive top and a close-ratio five-speeder for the MG Maestro only.

All Maestros except for the MG have an electronic engine management system claimed to give fuel injection efficiency without the cost. Low rolling resistance tyres (Dunlop Elite or, for the MG only, Pirelli P8) are fitted throughout the range.

There is one body—a five-door hatchback with a tailgate opening *right down* to the bumper—though a four-door saloon with a boot follows with-in the year.

Even before you slip behind the steering wheel the Maestro makes a good impression. Once inside, the seats prove to be well shaped, the driving position excellent and visibility unusually good. Instrumentation varies from the adequate in the basic 1.3 to high technology, with a full electronic pack complete with female voice synthe*siser* standard in the dearer Maestros and available at extra cost in many others.

It wouldn't be high in my list of priorities but it's a talking point and, for a few weeks at any rate, a first for BL. (Renault's 11, due for launch at Geneva next week, has a similar system.)

1.3 HLE. This is the ultra-economical one. The A Series engine loses a little horse power but gains torque (pulling power) at low revolutions compared with the standard version. It cold-started cleanly and pulled well while warming up. Third gear is in effect a direct top; it's good for an indicated 85 mph.

The overdrive fourth is fine for level motorways but is so high that speed falls away on slight gradients. A family man who fills the HLE with children, the load space with cases and puts a lot of camping gear on top will spend more time in third than fourth, I suspect. BL claims 43 mpg (urban) and a typical week-by-week consumption of 50 mpg. I'm sure it is obtainable on journeys but it won't be if your runs are short with plenty of cold starts.

1.6 HLS. The same agreeable trim as the 1.3 HLE but much more pep (81 horsepower against 64). A five-speed gearbox with a high but usable top. Firm through comfortable ride, competent handling, quiet running.

MG Maestro. I drove this one up the curving mountain road from the coastal plain near Marbella to Ronda. It's a vigorous performer, with a very good close ratio 5-speed gearbox, sharper steering response due to the 65 series tyres and willing to rev hard. BL claims a top speed of 111 mph. I loved the digital speedometer, was less impressed with the linear, illuminated rev counter.

1.3. This is the price leader, low cost and without frills, but an attractive package, especially for people who spend their own and not company money on cars. On the rough, twisting road from Ronda toward La Linea it rode shock-absorbently, pulling hard up hills and trickling through villages at 25 mph without getting out of top.

Vanden Plas. The quietest of all Maestros and the best equipped. Velvet seals, electric front windows, central locking, steel sunroof, polished wood door cappings and electronic instrumentation. Performance the same as the 1.6 HLS: an ex-Rover owner would feel at home in this car.

The Toyota Tercel 4 x 4 I mentioned last week is now in the showrooms at £5,892, which seems astonishing value for a nicely trimmed 4/5 seat, four-door estate car with a lively (up to 90 mph) on-road performance and instantly available four-wheel drive for tackling snow, sand or mud.

Other than its muscular, slightly high off the ground feel, it goes like any 1½ litre front-drive estate, though the headroom is exceptionally generous. It can be thrown confidently round mountain hairpins, cruised on motorways at 70-75 mph in relative silence and makes light of terrain that most might consider fit only for Land Rovers.

Citroen has brought the Peugeot 104-based LNA model to Britain to broaden the range and, presumably, attract buyers who fight shy of their usual inspired unorthodoxy. It has a 1,124 cc engine (also used in the Visa E) giving top speed of 87 mph and extreme economy—48.7 mpg for the official urban cycle, 60.1 mpg at a constant 56 mph.

The front seats are sheer bliss, the rear ones more like a padded shelf for small children and shopping. Prices are from £2,990. Another new Citroen variant is the 104 mpg Visa GT, which is quick (110 mph), sporty, strident when accelerating hard (0-62 mph in 10.9 seconds) but seats four in considerable comfort. Drive with moderation it can be economical and at £4,596 undersells most of its two-door rivals like the MG Metro and Ford Fiesta XR2.

Honda's new Prelude 2-door has also gone on sale this week at prices from £6,250 for the five-speed manual to £7,950 for the Executive with four-speed automatic transmission. Honda's own anti-lock braking system is a £490 factory-fitted extra on the Executive models only.

The new Prelude is a bit longer and wider than the old one, has more power from its three valves per cylinder engine and offers more room inside, though the rear seats are still for occasional use if normal size people are up front.

The anti-lock brakes let me slow down as though on a dry straight road when I stamped on the pedal in the middle of a wet bend. On Europe's motorways last week I found the 1.8 litre engine gave an easy 100 mph cruising rate and the Prelude could be pushed hard on winding by-roads and remain well mannered.

Above, Honda's new Prelude Executive. Power steering disappearing headlamps. Below, the Toyota Tercel 4x4 Estate. Six gears for off-roading, five for normal driving.

Paul Jennings previews Hardy's version of 'Dallas'

JR and the Wessex wench

I

DAMON BARLOW'S nerves were all a-jangle as he drove across the brooding expanse of Glumdown Heath. The sharp metallic noise of the cattle-bang as he drove across it seemed to echo with a new significance, a mocking reminder that Progress might not, after all, be a movement willed by corporate humanity, but simply a blind Force. For aeons the heath had waited — dark, blind, ominous. Though fringed by fertile agricultural habitations like his own dear Turtlebarrow Farm, it had withheld itself from puny men, with the exception of such as gypsies, or the furze-cutter, Thaddeus Dodd, whose lonely *figure* Damon recognised, silhouetted against a faint glow which he knew to be not the last gleam of sunset but the flare-off at the refinery a mere three miles away.

It had been a long meeting of the Save Turtlebarrow Now campaign, of *which* both the force of local opinion and his own inclination — ay, earth-bound, soil-bound, unpractical dreamer though he was! — had propelled him into the position of chairman. He had gone to it bodeful of opposition, as well as support. Yet the support had not heartened him, and the opposition had disturbed his gentle soul.

Yes, his nerves were a-jangle. How he looked forward to Pheemy's welcome and the soothing cup of tea she would have waiting!

II

It was a heavier burden than his usual chock of furze that Thaddeus Dodd carried to his solitary but on the edge of the Heath that night, for he bore also a mental burden; a heavy thing for a man whose consciousness was scarcely ever woken into individual life from the vast seasonal breathing he shared with Glumdown.

"Pheemy! Pheemy, is that you?" Every vibration in the *tone of* the *urgent*, masculine whisper which Thaddeus had overheard in the tree-dusk as he blent the last furze-grift of the day with his nodger came back into his tost mind. For he had seen the light yet furtive tread of her whom he recognised as Euphemia Barlow as she entered Grimley Copse. Though fain to avoid eavesdropping, he yet had durst not betray his presence, and became the first to know what was passing between Euphemia and Digby Venables, the oil company's project manager.

"Oh, Digby, is it safe, my meeting you here?"

"My bird, my passionate one. I knew you would answer my message, though it had been a thousand times more dangerous."

"You are so strong; strong with the future, the future of oil!"

"Ay, but you married Damon, the weakest at the end of a long line of those who, strong at first, made *this* land. You married him instead of me, the father of your child!"

"That is hard of you, Digby. I married him so that little Joel should have a name."

"Ay, Joel Barlow, not Joel Venables. You married him mighty suddenly."

"And did you not leave *suddenly*? I did not know you had gone to a different polytechnic to learn oil technology until after our little one was coming. It would break his kind heart to know that Joel is not his. It is too late, with you married too."

Thaddeus heard the sound of the hard fist of Digby Venables as he smote the trunk of the tree of their fatal tryst. "Oh God, Pheemy, I swear to you Procne is nothing to me, though I married her. She was a secretary in our Aberdeen office when I was on North Sea surveying. Her transient beauty is beginning to bore me to death. That is why I ask you to come with me, now, to make a new life in Kuwait . . ."

III

With a strange expression compounded of both gloom and hope Corydon Goulding gazed at Procne Venables across the rough deal table, the only furniture of his "hide" in Gloomer Forest. "So it is true, then? You have conceived a child?"

"Our child, Corydon. It could not be *his*. He had a vasectomy, saying that a family at this stage would interfere with his upward executive mobility. And I am glad of it, glad."

"Even though he is so rich with the future, the future of oil, and I am only an Ecology Department Bird Watcher Grade III?" muttered her lover, scarce raising his eyes.

"I would a thousand times rather my child were by someone as true to the soil as you, Corydon," she said simply and proudly.

IV

Eighteen years had passed when Damon Barlow, his life sentence remitted, was released. "I am rich now," he thought, as his Rolls-Royce neared the booming Turtlebarrow Field. Thaddeus, bearer of the information which had driven him to kill Veneables, was himself dead. The poor fellow had acted from the highest conservationist motives, reflected Damon; he had only desired, in his dark, dim way, to keep Venables and all that he stood for away from the Heath. "He could not have guessed that I loved Euphemia enough to kill Venables, or that *she* had loved him enough to drown herself when I did it."

Procne Veneables, still trim of figure, was waiting for him under No 23 Fractionation Tower, as she had promised. He knew from her dear letters to him in prison that Corydon, too had died, and that Euphemia's child Joel and hers were both now nicely settled with Esso. Perhaps the blind gods had taken what they wanted from him and from her, and now they would be able, like their forefathers, to live out the rest of their days on a farm. Not near this Heath, though. Not where there was the slightest trace of shale.

It's just that there are not enough fish

FISHING

JOHN CHERRINGTON

MY ONLY appearance on any stage was in a school play when I had been conscripted to play the part of a "sans culotte" in the stage version of "A Tale of Two Cities," titled "The Only Way." As I watched the hero Sydney Carton insist on replacing a pale young aristocrat on the tumbril to the guillotine, I had to mutter, loud enough for the audience to hear: "The man's mad." In actual fact my performance was only seen at the dress rehearsal, after which I succumbed to flu and missed the opening night.

I was thinking of this phrase last week when I was sitting in a boat on the Wye casting and retrieving a small Devon minnow in some very glacial water in the hope, but not the expectation, of attracting a salmon. Needless to say, no salmon looked at it nor did a pike of which quite a few allow themselves to be caught at this time of year. The only sign of life on the river, apart from a few duck, was a seedy-looking shag, drying its wings on the bank and watching me balefully in case I did something really hostile.

It was very, very cold and the water temperature equalled that of the breeze, 33 deg. F. Ice in fact was forming at the water's edge and I had no inclination to wade at all, although my partner did so and tripping on a boulder got rather wet.

This type of fishing is as good a way of losing baits as any I know and the river bottom must be littered with them.

Overcoming a snagged bait is comparatively easy in a boat. It is simply a matter of moving the boat over or below where the bait is snagged and so dislodging the hooks. This is usually successful as long as the current is not too strong. Sometimes, though, lack of boatmanship will cause the boat to depart downstream at a rate of knots, leading to stranding and an ignominious rescue or, even worse, a long walk back.

When bank fishing recovery is nothing like so easy and many make use of a contraption called an otter. There are several variants of this but essentially it's a circular piece of wood or plastic which can be slipped over the snagged line from up stream. The theory then is to allow it to slide down the line to a point well below where the bait is held so that the current is exerting pressure down stream and so hopefully dislodging the hooks.

I must confess I have never had much luck with otters, and I can't be the only one because I have two in my bag now which I dragged in off the bottom where someone had left them. Others have gone off with mine.

I don't lose anything like so many now since I took notice of what the late Sid Robbins used to try to teach me. He was probably one of the best Wye Ghillies there were and used to hook a lot of fish. He believed that in spinning the river should do the most of the work swinging the bait round while the angler only reeled in if the bait was getting too near the bottom and in danger of snagging.

It is a completely different technique from still water spinning where the movement has to come from the operation of the reel. He also used to play the line all the time jerking and twitching it so that he could, as he told me, keep in touch with the bait.

I have also taken to fishing with light wooden minnows which float off the bottom as they swing round. I can feel the leads bumping as they go but they do not snag as does a heavy minnow.

But all this detail simply obscures the fact that I am to all appearances unlikely to catch one of the declining salmon stock. That I am mad to mortify the flesh in such an insensate manner and that there must be better causes for such sacrifice. But I cannot think of one.

Poppies begin to return to fashion

GARDENING

ARTHUR HELLYER

POPPIES HAVE not been fashionable for a good many years but I sense a change in attitude towards them thanks largely to the arrival from America of some interesting new varieties of the Oriental Poppy.

Papaver orientale is a very showy perennial plant with immense scarlet flowers usually blotched at the centre with black and produced freely in May and June. At that season there are no plants to compare with it for sheer brilliance of colour but the flowers are big and heavy and the stems are barely strong enough to carry them.

As the flowers age the whole plant begins to flop about and become untidy but if given a good trim up then new growth soon begins to appear and by late July the big, deeply divided leaves are again making a useful contribution to the garden.

A lot of breeding and selection was done early this century, some of it by that great nurseryman Amos Perry, but some of the best varieties produced then seem to have disappeared. I remember Mrs Stobart as being one of the loveliest, a glowing pink flower not of the largest size, which was probably an advantage for they stood up well on erect stems. I have been unable to find it in any recent list, though I daresay it does still grow somewhere.

Mrs Perry, a softer shade of pink, is still to be had and is well illustrated in the latest catalogue from Kelways of Langport, Somerset. Perry's White is also still around but has a rival in a newcomer named Black and White with white petals each with an almost circular black blotch at the base and the usual tuft of black anthers in the centre of the flower. Lord Lambourne, one of the most vivid orange scarlet poppies ever raised and with extra big flowers, has also survived and so have Goliath and Marcus Perry which only slightly differ from it in colour.

Picotee is one of the most original of the newcomers, an Oriental poppy with ruffled petals that are white at the base but have a broad edge of salmon pink all set around that big central black tuft of anthers typical of this species.

Picotee is one of those I have just received together with Curlilocks, a vivid red poppy with petals that are both ruffled and deeply saw-edged, Black and White, already described, and Harvest Moon, which I have not seen but is described as being deep orange red and semi-double.

I await the delivery of another newcomer named Blue Moon. When this name caught my eye in the Bressingham Gardens catalogue I immediately thought of a remarkable poppy I saw about ten years ago in a Jersey garden.

It was growing with other Oriental poppies all of which had been raised from seed and it had flowers which were bluish purple. I have never seen anything like it elsewhere though this does not seem an impossible colour to get since Oriental poppies have a propensity to produce maroon or violet blotches and purplish blues are common in the annual *Papaver somniferum*, the opium poppy.

I immediately coveted this plant but it was not on offer, nor could I procure any seed.

Oriental poppies are the easiest of plants to raise from seed for they produce it freely and it germinates readily if sown directly it is ripe or the following spring. Most seedsmen offer seed but always in a mixture of colours for though the original scarlet flowered species comes fairly true to type nearly all the garden varieties are hybrids and seedlings from them are likely to vary not only in flower colour but also in height and size of bloom.

So selected varieties such as I have been describing must be increased vegetatively and as it is usually impossible to divide old plants because of their long tap roots, the only way to do this effectively is by root cuttings.

These are prepared in winter from thick roots cut up into 2 to 3 in lengths and inserted right way up in a mixture of about equal parts of soil, peat and either sand or perlite. The cuttings are sufficiently firm to be pushed gently into the compost until they are just covered and then need the protection of an unheated greenhouse or frame until they have produced leaves and more roots when they can be replanted in a nursery bed outdoors. They grow best in a sunny place and well drained soil and will make good plants for permanent planting in about a year.

Papaver orientale is by no means the only perennial poppy but it is the only one that is both freely available and can with confidence be expected to continue for a number of years. The Iceland poppy, *Papaver nudicaule*, though usually described as a perennial, is almost invariably treated as a biennial partly because it tends to flower itself to death but also because it needs very well drained soil and is likely to die the second winter if the soil is wet and cold.

This is also true of the tiniest of the poppy family *Papaver alpinum*, which looks much like the Iceland poppy but reduced in height from to 3 inches with everything else, including its satin textured flowers, in scale.

Bressingham Gardens list *Papaver heldreichii*, a Middle Eastern species which I have not seen. It is described as 18 ins high with orange flowers carried in loose clusters. One that I have seen, especially in some gardens belonging to the Scottish National Trust, is *spicatum*.

Villain King

BY GEORGE MALCOLM THOMSON

Richard III: England's Black Legend
hy Desmond Seward. Country Life, £9.95. 220 pages

The Sunne in Splendour
hy Sharon K. Penman. Macmitlan, 1078 pages. £9.95

Richard III has not had a good Press. The Tudor propaganda machioe. led hy two writers of genius, Thomas More and William Sbakespeare, moved in on him with shattering cffect and, although there has been a counter-attack, launched hy Horace Walpole, and kept alive today by able and devoted partisans, it has never caught up with the original smear campaign.

Everybody knows thst Richard murdered his way to the throne; everybody knows that two boys, who were inconveniently relations of his, were murdered in the Tower presumably on his orders. Everybody knows that he was a hunchback and this misfortune too is held agaiost him. It helps his sinister image. Everybody has heard of his cry at Bosworth Field. "A horse, a horse, my kingdom for a horse!" It is, perhaps, the hest-known remark by any English monarch (if one or two utterances of Elizabeth's are overlooked).

Why, it may be asked, has this monster of iniquity imprinted himself so deeply on the national imagination? Why is he remembered, when rulers of unblemished (or nearly unblemished) character, virtuous and pious kings who earned the love of their subjects, lie forgotten on the dust beap of history? It may be that Tudor character assassination overreached itself and gave a lurid brilliance to this deplorable person. We read about Richard with horror but with fascination too. And if we are Shakespeare or Kean or Olivier, we exclaim. "What a part!"

There is another question. Was Richard really so outstandingly wicked? After all, the fifteenth ceotury was hardly a forcing-ground of the more amiable virtues and, in the long roll of English royalty, there bave been not a few with a criminal record, men who, in the words of the old Scots judge "would be nane the waur of a hanging."

Why then has popular opinion awarded Richard a badge of peculiar infamy? At a guess it is because the murder of his two young nephews in the Tower was felt hy the man in the street to be a deed which could not be forgiven. In such matters, the instinct of the people is rarely at fault. Richard had gone too far.

Desmond Seward, author of *Richard III: England's Black Legend*, began hy being s supporter of Richard's, but deeper study forced him to change bis view and now he has written a biography of the most unsparing hostility. From it emerges the convincing portrait, not of a monster but of a bard, cunning and ambitious man who was determined to become King of England, whicb he did in 1483 and to stay on the throne, which he did for only two years.

Seward does not think that the English people ever really thought of him as their King. But, in fact, the evidence, such as it is, suggests that the public were willing at first to accept him. The full atrocity of his career as a child-murderer took some time to spread. What is harder to understand is the quick success of Henry Tudor, who arrived with a modest and largely foreign following and, a fortnight later, was King of England. Henry was Welsh, without military experience, unknown to the public. But he won the crown! The Stanleys changed sides at the critical momeot. True, but why did the Stanleys do it?

It is estimated that something has been written about Richard in every generation since his death five hundred years ago. Writing the latest of those works, Seward has made a valuable addition to the file, a biography of strong feeling and firmly held conviction arrived at after long thought; it is as fair as a book can be when it is written about oce whom the author detests. It is most readable.

Incidentally, there is reason to think that Richard's deformity was not a legend invented later by his enemies. He was called "crouchback" durlog his life. It seems that he was born with one shoulder a little higher than the other. Not a serious blemish. But it has helped to darken the image of this most interesting of kiogs.

And here is the other side of the picture, a novel, *The Sunne in Splendour*, a timely and substantial reinforcement for the army of Richard's defeoders, close on three pounds in weight and, at a rough calculation, not far short of 400,000 words in length. Heavy to hold, not so heavy to read.

In this novel, Sharon Penman sets about her task in no half-hearted way. Richard emerges as a fine soldier, an ardent suitor, a devoted brother, a patron of the arts, a man of fierce loyalties and fine principles who was shocked by his brother's, King Edward IV's, womanising and quite dismayed by the intrigues of the court.

As for the Princes in the Tower, acknowledged as the central mystery of Richard's life, the author thinks that the Duke of Buckingham is the likeliest murderer. Certainly the winsome Richard of her story would not have done it.

Richard had no motive, she says, which Buckingham had. This is rather hard to swallow. For Buckingham's motive—to dispose of two obstacles in his way to the throne—was not nearly as strong as Richard's.

Admittedly, there is some mystery about the boys' death. What is certain is that they disappeared, baving been last seen alive in the Tower. What seems probable is that Richard, alarmed by some news of some dangerous conspiracy against *him*, ordered the boys to be killed.

Another consequence: If Richard did the deed, the whole fabric of Sharon Penman's novel is destroyed. This will be a pity, because she tells the tale with tireless vivacity. Putting aside all douhts of its truth or probability, one can enjoy the picture of that barbarous England and the vivid personages who lived in its fields and castles. It is a vast, colourful and crowded panorama. If you are looking for a suitable present for a friend who is a long distance reader, look no further. This year marks the 500th anniversary of Richard's accession to the throne. Great happenings are being planned by the Richard III Society, a group of erudite activists, determined to clear his name; and I expect we shall have more books about him before the year is over.

George Malcolm Thomson is the author of biographies of Drake, Marlborough, Prince Rupert, and on historical novel.

Richard III—did he order the murder of the Princes ?

Mann's pre-war days

BY JACQUELINE SIMMS

Thomas Mann Diaries 1918-1939
Selection and foreword by Hermann Kesten, translated from the German by Richard and Clara Winston. André Deutsch, £16.95. 472 pages.

Thomas Mann began to keep a diary at school, and continued to do so all his life. The diaries were private self-communings, and he destroyed most of them—first the early "*very secret*" ones up to 1896; later those relating to the Munich years, from which 1918-21 somehow survived. Eventually be allowed that the extant diaries be published, but only 20 years after his death. Hermann Kesten has made a generously illustrated and annotated selection from the German edition by Peter de Mendelssohn, of the entries for 1918-1921 and 1933-39.

Writing the diary became for Mann a way of "maintaining awareness, achieving perspective," of, literally, keeping his life at his fingertips. For readers of his novels, the most interesting references *must* be to the books, among others *The Magic Mountain*, *Joseph and His Brothers* and *Lotte in Weimar*, that slowly but surely emerge during the hectic years in question. Mann records his background reading; details, often entertaining, of specific research; and his daily "form" ("Odd hypocrisy of writing without enthusiasm"). He is—to readmit him to his own *Magic Mountain* — constantly taking his spiritual temperature, so that nothing can happen to him that is not brought under observation. Acutely sensitive to surroundings, he can be reduced to tears when, for instance, a house that has to be considered for renting in Switzerland makes an unbearable impression on him of "a ghastly and dreary déclassé existence." Each ache and pain and bad night is recorded, to the point of tedium. But he views his emotional life and "the customary confusion and unreliability" of his sex life with humour and equanimity: "Find it quite natural that I should fall in love with my son," he remarks of the "terribly handsome" adolescent Klaus Mann. Nor does he allow his homosexual inclinations to upset him ("How would it be if a young man were 'at my disposal'?"), though he wonders ruefully whether they may be the cause of his loss of physical interest in his wife, Katia. But despite the young men he falls in love with, later comments suggest he is conteot to look and admire. It is certainly unimaginable that he could have thrived out of the context of his large and affectionate family.

The *Diaries* resume in March 1933 when, on holiday in Switzerland, he was advised not to return to Germany, where the Nazis were rapidly gaining control. From now on, the equivocal, but deliberately "non-political man," though never doubting that "what is human is alien to politics," is forced into the political role of a distinguished literary emigré. Mann was now bound to clarify his own position. Encouraged particularly by his daughter Erika, he was eventually relieved to do so, in his Open Letter, published in the Neue Zürcher Zeitung in February 1936.

Meanwhile the *Diaries* show that be has become a uoique repository of information: news from friends and acquaintances, Jewish and German, inside Germany and out, pours through his letterbox. His analysis of events and his predictions become painfully accurate; there can be no charge of blindsight as diary entries of the late '30s observe despairingly the frantic attempts of the Allies to accommodate Hitler, and avoid war at all costs—a war which Mann does "not conceal from [himself]" be now wants.

If, in 1938, instead of moving to America he had emigrated to London, could his presence have affected the course of British decisions? But he himself had no such illusions: "the world does not want to take iostructions from 'spiteful emigrés'," he notes, as he refrains from writing to the London Times.

The diaries are necessarily summary, sometimes even cryptic, and they are probably most rewarding read in conjunction with the letters (also translated by Richard and Clara Winston). But the mustering of facts seems to have given Mann courage, freeing him to make imaginative use of his knowledge of himself, and of his times, that were so badly out of joint. "One's work more and more assumes the character of a pastime. May it be an honourable ooe!" Few of us would anticipate *Doctor Faustus* so lightly.

Jacqueline Simms' novel "Unsolicited Gift" was published last year

Taking Gandhi on

BY K. NATWAR-SINGH

The Lost Hero
by Mihir Bose. Quartet Books. £15.00. 318 pages

Subhas Chandra Bose was *the* maverick Indian politician. The legend of Netaji (Leader) Bose continues to grow. Nearly 40 years after his mysterious death in a plane crash (August 1945), hundreds of thousands of Indians refuse to accept the fact and expect Bose to turn up any day. As late as January 23 1975 100,000 people gathered in Kanpur in North India to witness the reappearance of Netaji Subhas Chandra Bose on his 79th birthday!

Mr Mihir Bose, a fellow Bengali, is oo relation, but an obvious admirer. Few Bengalis are not. He does not write as a *Bengali* or for *Bengal* alone. He writes as a student of history. His book is a serious attempt to portray the dramatic life, trials and travails of an extraordinary and dynamic political figure, whose name and fame puts him in the top political league, next only to Mahatma Gandhi, Pandit Jawaharlal Nehru and Sardar Vallabhbhai Patel. Mihir Bose pitches Nehru and Bose as rivals, but Nehru did not look upon Bose as a rival and genuinely tried to help the younger man, who was not the easiest person to help.

Bose was born in Cuttack in Orissa in 1897 of middle class parents. He had his first brush with authority while at Presidency College, Calcutta, and early in life showed grit and determination. He passed the I.C.S. Examination while at Cambridge, but resigned soon after in 1921 and returned to India, a minor hero for throwing up so sought-after a career. He joined Gandhi and the jail-going commenced. His real idol and mentor, however, was C. R. Das, the urbane Calcutta lawyer. When Das suddenly died in 1925, Bose was shattered and from then he was very much on his own. He had no genuine belief in Gandhi's non-violent programme and the break came finally in 1939, when Bose took on the Mahatma and got himself elected President of the Indian National Congress, trouncing Gandhiji's nominee—Dr P. Sitaramayya.

Bose won a battle, but lost the war. Mahatma Gandhi did not tolerate open indiscipline of this kind. He could make life very uncomfortable for those who crossed his path. Bose was no match for the saintly politician and was forced to resign his Presidency. His new party, The Forward Bloc, did not really get off the ground and Bose escaped from India.

It is an amazing story and Mihir Bose does justice to it. From 1941 to 1945, Bose was in Germany, Italy and Japan, where he met Hitler, Mussolini and General Tojo, trying to form an anti-British outfit. He did finally establish the INA—Indian National Army—with Japanese support. The INA consisted of Indians who had been taken prisoners by the Japanese. To the British the INA volunteers were rebels against the King. To Indians they were patriots.

Unwisely the British arrested three senior officers of the INA —Shah Nawaz (Muslim), Dhillon (Sikh) and Saigal (Hindu). Their trial caught the imagination of the Indian people and created a revolutionary situation, which was contained only after all three were acquitted.

Hunted

The Transfer
by Thomas Palmer. Collins. £8.95, 402 pages.

The Transfer is Thomas Palmer's first novel. He picked up the authentic background for this book while driving a cab in Miami.

As well as local colour, the book bas deep characterisation to commend it, with an amateur, involved in the highly professional business of cocaine trading, being hunted down by the forces of law and order and the criminal establishment.

In all a grim, gripping book.

Pel and the Bombers
by Mark Hebden. Hamish Hamilton. £8.95, 196 pages.

Pel and his team, starting out with the slimmest of clues, work to trace the terrorists who, it is feared, are preparing to give the President of France an explosive welcome when he visits Burgundy.

The book is written with a downbeat humour and some delightful dialogue which leaven the violence.

BRIAN AGER

Fiction

Swiss scandal

BY ISABEL QUIGLY

Bluebeard
by Max Frisch, translated by Geoffrey Skelton. Methuen, £5.95. 141 pages

The Slow Train to Milan
by Lisa St. Aubin de Terán Jonathan Cape, £7.95. 254 pages

A Visit from the Footbinder
by Emily Prager. Chatto and Windus, £7.95. 174 pages

Swiss scandals seem all the more explosive because of the surface respectability of Swiss life. Zurich, of all places is large enough to contain its far-reaching gnomes, is small enough, as Max Frisch points out, for the victims of scandal inevitably to meet witnesses of it in the streets.

Dr Schaad in *Bluebeard*, after 10 months in gaol on a murder charge, is out and about again but, though acquitted, still regarded with suspicion.

A woman is strangled, a high-class call-girl who keeps coffee-table books around to give the right cultural atmosphere. Dr Schaad, her ex-husband, helps with her income tax (are the books an allowable expense?). But be has six other wives — one current, five former. So "Bluebeard" is an obvious newspaper label. Did he, didn't he, strangle her with what is admitted to be his own tie? It seems not. By the end, they have caught a Greek student. Call-girls, however literary, in the nature of things having many callers.

The atmosphere of this very short, very elliptical novel is powerful. Its brevity is its strength: you see between the gaps, like Schaad looking down at the zinc-like lake between the trees. In this it scores, I think, over Frisch's *Gantenbein*, an earlier novel recently reprinted in its English translation (by Michael Bullock) after an 18-year gap, which demonstrates far more explicitly the processes of artistic creation, the writer at work within his writing, the nature of artifice.

Bluebeard, in a first-rate translation by Geoffrey Skelton, is nearly all in dialogue (Frisch is known as playwright as much as novelist), mostly the bleak, bureaucratic dialogue of the courtroom, with occasional shrugs of forgetfulness or laconic indifference, and, sandwiched between, Schaad's own view of bow things are, his wives' memories of how they were. Where does it all lead, where does fact (not to mention truth) really lie? The woods round Zurich in early spring give a chill answer of sorts: "You are in pain."

You can't accuse Lisa St Aubin de Terán of being impersonal. Even the names she gives her narrator-heroines echo her own. This time, she is called Lisaveta and the narrative seems to follow exactly what one knows of her own story. Her first novel, *Keepers of the House*, was based on her experiences in Venezuela as the wife of a large landowner. *The Slow Train to Milan* is less panoramic, and tells us what happened in their early days together, when he was in exile, ooe of a group of "wanted" South Americans, political (not personal) robbers of banks and, when need be, of supermarkets for food.

The slow train took them back and forth between Paris and Milan over months, almost two years, while they waited to get back to South America. Rather like Butch Cassidy and Sundance, they appear as loveable loonies with an innocent in tow (in Lisaveta's case, liable to raise fury in the moralistic Latins, since she looks 12 and, although married, unconvincing as a wife).

I wish I knew if it was fiction or memoirs because it isn't quite right as either. Perhaps I quibble: but I like to know where (emotionally speaking) I am.

Mainly it reminded me of *The Pursuit of Love* in its more adventurous parts. It has a similar air of wide-eyed acceptance of the bizarre and the same sense that money (and therefore security) will somehow always rain down, however desperate things momentarily seem (there's plenty in César's background and in Lisaveta's too). Of course one envies the narrator her youth and beauty, and *César his ravaged, gloomy*, glorious looks and charm, and both of them their insouciance in the face of everyday things; but that isn't to say they are artistically false. I believed in them both enough to find the book a marvellous read but an exercise (I think) in exorcism, a means of sloughing off the past which is not quite right (I feel) in fictional form.

The author's touch is light, throwaway, a bit self-conscious (as is inevitable with first-person narrative when we know the first person). One or two real people turn up now and then—Carlos Ramirez, "the Jackal," now the world's most wanted terrorist, a plump bore at a party being too familiar to an older man; and I think the heroine's grandmother (which must surely make the heroine quite distinctly the author, if they share a grandmother), a game old girl with a leg blown off in the First World War who (I think I remember) wrote her memoirs.

A Visit from the Footbinder is brilliant and alarming, not a mere exorcist of her own past except in the broadest sense that the past has fed imagination; and if Lisa St Aubin de Terán describes life on the fringes of terrorism, Emily Prager deals with something like emotional terrorism, a world where innocence seems never to have existed, a country (or perhaps more truly a state) of original sin. The writing is so good it seems to justify its often horrible fantasies, its imaginative capers in time, space and history; with a demonic force and violence, an exactness with words, a whipping wit that are all immensely impressive.

The footbinder of the title-story comes to an aristocratic Chinese family in the 13th century to bring about the lifelong crippling of a little girl, because it's done, admired, and separates her from the uncrippled mass of walking women. "The Lincoln Pruitt Anti-Rape Device" has a group of American women, heads and eyebrows shaved, dressed as Buddhist nuns, pray to the Vietcong who are going to get the shock of their lives. "The Alumnae Bulletin" has three 30-year-old women at an old school reunion, wearing their old uniforms, playing old school tapes, swapping drugs, drink, confidences, obscenities and lots more. Very American (at times too local in its references), compact, cruel, and disturbing.

Lid off SIS

BY ZARA STEINER

Through the Looking Glass: British Foreign Policy in an Age of Illusions
by Anthooy Verrier. Jooathan Cape, £12.50. 385 pages

This fascinating study should leave readers disturbed and thoughtful. Anthony Verrier has written a didactic book in which he argues thst since 1945 successive British cabinets have failed to take the measure of the real world and that the main interjections of realism bave come from the permanent government including its intelligence arm. This is also a book of revelations about the role of the Secret Intelligence Service increasingly used to compensate for the lack of the resources needed to sustain an out-dated great power role. The lessons to be learnt from the looking-glass world and the six post-war episodes described here do not always neatly join. The dual purpose of this book often makes one wish that the author hsd attempted either more or less in each of his chosen spheres.

The *allegations border* on the spectacular. Eden planned for the re-occupation of Egypt and for the assassinstion of Nasser despite the opposition of those who bsd to turn his wild dreams into practical plans of actioo. It was the cabinet secretary, Norman Brook, conscious of the fact that Eden wss not deterred by Whitehall opposition or Eisenhower's open dismay, who alerted Washington to what was planned. SIS representstives worked through CIA. The director of the SIS-backed Near Esst Arab Broadcasting Company, just before his dismissal, warned his Egyptian audience that they would shortly be bearing lies and experience civilian bombings.

There was a major revolt against the prime minister which paved the way for American action, the cabinet upheaval sparked by Macmillsn and Eden's eventual defeat. Behind the story of collusion with Israel and France was *another* more appropriate to the world of the looking glass.

Other examples of SIS intervention in either the shaping or execution of foreign policy are provided casting considerable light on the problems of defining its appropriate role. In 1949, an abortive attempt was made to use SIS and CIA in an SOE-type operation in Albania in the vain hope of unseating Hoxha and establishing a British base in the Balkans without any of the necessary resources required. In Kuwait, 1961, there was a more successful effort. SIS raw intelligence from local contacts paved the way for a demonstration of British influence, possibly because it did not require more than a show of military power; but which, unfortunately, encouraged London to think that an East of Suez strategy was possible. The Cuban missile crisis is less germane to Mr Verrier's cautionary tale though instructive in its description of how the Penkowsky information was injected into the Washington governmental apparatus.

The author claims that the intelligence, gathered from the SIS-run Oleg Penkowsky, provided the vital material which convinced Kennedy's advisers that the Russians were well behind in the missile race, and could be given time to retreat without endangering American safety.

In the light of the American memoir material, the author may claim too much importance for this SIS coup but his account provides a new dimension to a well-documented story.

Again, in the Nigerian civil war of 1967, SIS sent out the right signals convincing London, and most important of all, the able Michael Stewart, that, given British interest in Nigerian oil, support for Gowon was the most reasonable and realistic option.

SIS entered Northern Ireland in 1971 but here, as is clearly underlined, neither good intelligence nor a pragmatic approach to the problems at hand are substitutes for political imagination and courage.

The treatment of individual cases in this book varies considerably in range and depth, often only providing tantalising glimpses into the workings of SIS and its recurring organisational problems. This is not a book about individual agents—loyal or not—and except for known names is somewhat more informative about American rather than British operatives. Only the initiated will catch the hints which suggest the author knows more than be reveals.

Despite its limitations, there is an abundance of new material here most of which is well within the realm of the probable. Anthony Verrier is *not* a sensationalist and the public should be told about the illusory world in which their leaders move and the means they use when forced to make bricks from straw. The politicians of a once great power have found it difficult to abandon their inheritance.

Zara Steiner is a Fellow of New Hall Cambridge, and author of works of diplomatic and intelligence history.

Canadian eyes

BY FRANK GRAY

Diplomatic Passport: More Undiplomatic Diaries (1946-1962)
by Charles Ritchie. Macmillan, £4.95. 200 pages

Being a senior diplomat for a prosperous, unmilitant country can be an advantage in that it gives the official an insight into world events without his having to compromise his neutrality.

This certainly has worked to the advantage of Charles Ritchie, a one-time Evening Standard reporter (£4 a week in the 1930s) who went on to become one of Canada's most urbane diplomats.

A compulsive diarist, he has now published *Diplomatic Passport*, the third volume of what he describes as his "undiplomatic diaries," covering the years 1946-62. Most of this period was spent as a senior embassy official in Psris, and Bonn and as bis country's ambassador to the United Nations.

Ritchie's diaries open a window on a Europe that now seems in the far distant past rather than just a generation or so ago. He recounts a chilling luncheon with writer and Gaullist André Malraux in 1947, in which the Frenchman discussed the likelihood of civil war in his country, even to the point of describing where the likely theatres of action would take place.

As ambassador to Bonn in the early 1950s, he shared the common concern over the *militant German character* and wonders where all the Nazis have gone. As his German improves, this concern abates, though not entirely. But of his views on Konrad Adenauer, he leaves no doubt.

"He is like a well oiled immensely powerful machine moving in the groove. He emanates authority and his assessments of international forces are realistic."

On a visit to India in the early 1950s with the then Prime Minister, St Laurent, he tells of meeting the young Indira Gandhi:

"She is a bandsome woman, but cold. She talked humanitarianism and social reform, but in a bloodless fashion, tinged with immense smugness and self-righteousness."

Footloose and fancy free

IT SEEMS astonishing now to reflect that until the First World War, it wasn't quite "nice" for a lady's feet to be seen. I am indebted to Christina Probert's fascinating review *Shoes in Vogue* (published by Thames & Hudson, £4.95) for this and other titbits of information on the rise and fall of interest in feet and how they are shod. She reminds us of Sir John Suckling's famous lines:

"Her feet beneath her
petticoat
Like little mice, stole in and
out
As if they feared the light."

She reminds us, too, that though we may think we are the first generation to take to the health movement so ardently, there was the "Rational Dress" movement which flourished around the turn of the century, which advocated styles based on considerations of "health, comfort and beauty."

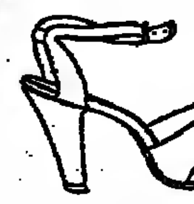
These were clearly sentiments that women have abandoned whenever fashion dictated otherwise—nobody interested in "health, comfort and 'beauty" for instance, could ever have embraced the stiletto as enthusiastically as I remember most of us doing in the early Sixties.

Now, however, things have almost come full circle—the "Rational Dress" movement would find much to approve of. Seldom can the fashionable shoe (the flat pump so beloved of the Princess of Wales, the soft baggy boot) have been more comfortable nr more readily available—if, and there's the rub, your feet happen to come in the sizes that manufacturers believe they should.

Hnwever, there is lots of good news on the shoe front. After the welter of complaints that hit the shoe shops in the late '70s and the series of stiff reports on the unsatisfactory treatment dished out by the shops to customers with complaints, most of the reputable shoe chains have made big efforts to put things right. *Which?* in a report it published in 1980 found that things had improved dramatically over the previous 10 years.

Complaints about shoes themselves and about the way complaints were dealt with had dropped by 50 per cent and more and more shoe shops were honouring the Code of Practice which obliges them, in short, to sell good quality shoes and deal with genuine complaints quickly and honestly.

If you want to identify the shoe shops by whom you're most likely to be treated honourably and fairly, then look for the



sign which declares that the shop honours the code of practice for footwear. It should be displayed in the window or somewhere else prominently in the shop. There should also be a copy of the code itself which you can ask to see.

Similarly, when it comes to repairs, there is a code which the industry devised in the wake of all those endless criticisms hurled at them. Shoe repairers agreeing to honour the code should also be displaying signs to that effect. Signs, alone, of course, guarantee nothing but they are at least a declaration of intent.

However, *Which?* still found that some 10 per cent of its members were unable to find shoes that were really comfortable or fitted properly. So for all those with feet that don't fit into the nationally accepted manufacturers' norm, here are some of the shops and services available to them.

● **ROOTS**, 4 Conduit Street, W1 is famous for its tough, comfortable shoes and may well be the place for those who can't afford bespoke prices but have despaired of finding something ready-to-wear that really fits. It goes in for a rather rugged look and the shoes are very strong and hardwearing. For people who are on their feet all day the shop makes negative heel shoes—that means that they are lower at the back which, apparently, is an aid to the most natural way of walking.

● **CLARKS SHOE** shops offer a very useful service for those whose feet are odd sizes. Anybody can walk into his or her local Clarks shoe shop, choose a style from a reasonable selection and then have two matching shoes made up, nne to fit each foot (ie one size 5 and one size 5½). Clarks goes to great trouble to make sure the leather and the dye match each other, the service takes between four and six weeks and there is a charge of 25 to 30 per cent on top of the original cost of the shoes.

● **ADAMS & JONES**, Crispin Hall, High Street, Street, Somerset. A useful company to know about for they will take orders for hand-made shoes by mail. Customers are asked to send in an outline of their feet, together with certain measurements and then A & J make the boots nr shoes to measure.

They pride themselves on catering for malformed feet—all those bunions that are the legacy of the stiletto heels and narrow toes of the 60s, can now be comfortably accommodated. The company uses only natural materials and traditional skills in making the shoes. Comfort and high quality rather than high fashion, are the keynote of this company. There are about 20 standard, adult styles (prices from £25 to £55) and five children's styles (prices from £13.50 to £28 fnr boots).

● **SMALL & TALL SHOE SHOP**, 71 York Street, London W1 (01-723 5321). The shop for those who are lucky enough to have very tiny feet (in earlier times, a source of great pride, thought to be a mark of

breeding) and very large sizes. They supply shoes in the full range of widths—AA to E, in sizes 13 to 2½ for small feet, and sizes 8½ to 11 for large ones. There's also a mail order brochure and shoes can be ordered in almost any colour.

About £32 a pair. The shop is closed on Monday's. There is a mail order list but stipulate whether for large or small sizes.

● **ANDY's**, 61 Goldhawk Road, Shepherd's Bush, W12. Andy's will make shoes to measure at a fractino of the price charged by the smart West End shops. However, I am reliably informed that yon must make sure you keep a firm eye on the design—the best thing is to give Andy an actual shoe to copy. His service only takes about two weeks (though it

varies depending upon the amount of work he has on hand) and prices start at about £28 for sandals, shoes start at £40.

● **ORTHOPAEDIC FOOTWEAR**, 4 Paddington Street, London W1. This is the company that caters specially for people with really odd-shaped feet—if you have a bunion, an arthritic toe or some other nncomfortably unorthodox-shaped part, the Orthopaedic Footwear company will make you a shoe to measure. Most of the shoes are made entirely by hand on the premises by skilled craftsmen. Individual lasts are built and only fine leather is used. For private customers, prices start from £245 a pair.

● **DELISS**, 41 Beauchamp Place SW3 (01 584 3321). If you are getting married or for any other reason want a special pair of shoes made in a specific fabric or colour, Deliss will do it for you. It will make to measure to any design, whether your own, or from a photograph, and can make them up in silks, satins, antique brocades, Baghdad carpets, straw. Prices are high—from £176.

● **MAGNUS** of Northampton, 2 High Street, Harpole, Northampton, sells a limited range of styles but is useful to know about because he offers them in large sizes for both men and women—English sizes 12 to 15 for men and 8 to 12

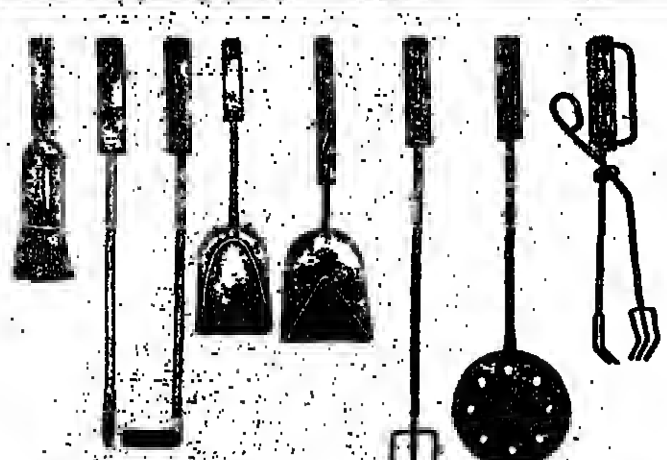
for women. He has a showroom attached to the warehouse but most of the business is done by mail order—so write to the address above for the brochure. For Londoners, there is also a shop at 63 South End Road, Hampstead, NW3.

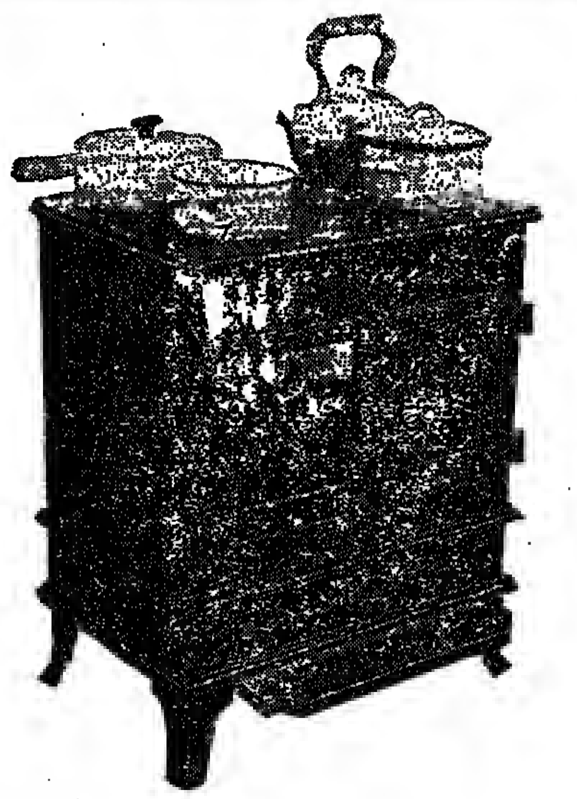
● **CRISPINS**, 5 Chiltern Street, London W1. This is the shop fnr those with hyper-elegant feet, the sort that are so narrow that they can't usually find anything refined enough for their refined bones. Not cheap but high-fashion and elegant, in fittings narrow, AAA and AA, B and C, up to size 7 English.

Anybody who has problem feet and can't find the shoe to fit can get a list of shoe shops all over the country which offer specialist help and where the assistants, as one spokesman so poignantly puts it, "care about feelings as well as feet" by sending a sae to: How to Spend It Page, Financial Times, 10 Cannon Street, London EC4. Mark the envelope "Problem Feet."

Suzanne Katkhuda is a jeweller who works in porcelain and earthenware which she uses to produce a series of enchantingly pretty necklaces, earrings and hair-slides. All are based on fruit and flower motifs (like the green, red and white strawberry set above and the black glazed set with fake-pearl centres below). She makes it all herself, hand-mixing the colours and hand-painting or glazing them. Necklaces are £24 for the black set, £29 for the strawberry one, earrings are £9 a pair. Large stores like Liberty of Regent Street, London W1, and Harrods of Knightsbridge, SW1, stock it or you can write directly to her at 173 Portland Road, London W11.

Anne Morrow





Hot gossip round the hearth

YOU MAY feel that as spring must soon be here now is the moment not to be thinking of ways with fuel and fires. However, as the Solid Fuel Advisory Service is fond of pointing out this is just the moment when contractors are least busy, when you are likely to get the best attention and the best deals.

Be that as it may, those who have been searching for a fine modern set of fire tools might like to take a look at the Hearthline range photographed above. From coal buckets, pokers, hearth brushes, coal tongs, toasting forks, to chestnut roasters and fire-guards, the Hearthline offers it all.

Made in black-finished, mild steel with Burmese teak handles the pieces are sold separately at pricea ranging from £10.35 for the poker to £46.57 for the coal bucket. Most good coal merchants sell them but in particular they are available from Hyders, Plaxtol, near Sevenoaks, Kent.

Fuels seem to be subject to a high degree of uncertainty which is why those who think of buying a stove tend to look for those described as "multi-fuel." This does not mean that they run off all fuels, just that they will run efficiently on wood, coal or smokeless fuel, which does at least give three different options.

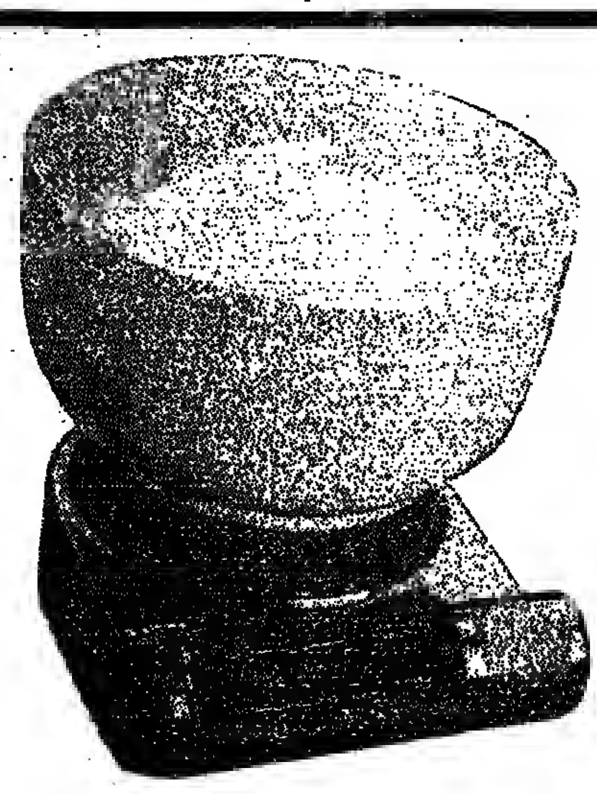
A new stove offering that facility, and the option of a central heating boiler which can be run off it, has just been launched by Stovax of Exeter, Devon. Besides giving 12 kilowatts of heat to the surrounding air, it has a large hot plate on which a kettle and several saucepans can be boiled nr heated.

Called The Blenheim, the stove has matt black cast iron panels and a discreet decorative moulding. £545 buys you the stove alone, for £650 you get a central heating boiler as well. Find it in stove shops through the country nr contact Stovax, Bishops Court Trading Estate, Sidmouth Road, Exeter, Devon.

Well balanced

Nn kitchen where any serinus cooking is done can afford to be without a good set of scales. One of the best I know is the new Salter Electronic "5000." It has two important qualities—firstly you can weigh with almost any container you like—a plate, jug or bowl, or you can use the bowl provided. Secondly, you can weigh ingredients successively as you add them to the bowl. By just pressing a button the weighing indicator goes back to zero. You put in and weigh the flour, push the button back to zero, add the sugar, and so on with all the rest of the ingredients.

The scales are a stream-lined design in cream and brown and the new functions come to us by virtue of the micro-chip. Battery-operated, with a digital display at the front, the scales cost £39.95 from larger branches of Boots.



Local interests

RADIO

B. A. YOUNG

At 8 pm on March 15, Radio London will give the first broadcast performance of Paul Hughes's Concertino for flute and orchestra. Who will know about it, apart from the people involved? Radio London is a BBC station, and you can get a rough summary of its programmes at the back of Radio Times. In the local papers they get a courtesy single-column half-inch or so, if they're lucky, but I doubt if the most sophisticated of them will put:

Telemann Concerto in G for viola and strings.

Vivaldi Concerto in B minor for four violins.

Hughes Concertino for flute and orchestra.

The ILR stations do no better, indeed they do worse, having no Radio Times and no space in *TV Times*. Capital Radio and Radio Clyde courteously send me details of their week's programmes; Capital even send me tapes of what they would especially like me to hear. I can't hear either station from where I live: I have BBC Radio WM or Radio Bristol, Severn Sound and Radio Wyvern.

Severn Sound is, as I write, giving me an interesting phone-in on opencast free mining in the Forest of Dean. Switch channels: Radio WM has Edward Heath, no less, rather ineptly interviewed by Ed Doolan. Both worth catching, in their way; but only to be caught by trial and error. This reticence is *important*, because the old worries about Radio 4 are still afloat. There are still people who fear that they may suffer Richard Francis's alternative scheme that would put all the plays and things on "Radio 5"—a consortium of all the BBC local stations—and fill up Radio 4 with news and current affairs.

I thought I might learn something positive about the future of Radio 4 last Wednesday, when the Controller, Monica Sims, lectured at the Royal Society of Arts. But Miss Sims, in an intensely interesting talk, had to confine herself to speculation, though the speculation was fairly hopeful. There was talk of another channel that would save the Radio 4 addicts from the dreadful agony (as they see it) of switching from one channel to another. (The Radio 4 groupies! One lady wrote to complain that one programme was transmitted at the time when she had her bath, and was indignant at the reply that she might have her bath at a different time.) There was a well-received hope of a possible channel combining education and Parliamentary coverage.

However, as Miss Sims pointed out, there would be no sense in transferring plays from Radio 4 to the local stations. There are the mobile listeners in their Cortinas to be borne in mind; and unless all the local stations had identical time-schedules, the Cortinas would hear the first half of Afternoon Theatre on, as it were, Radio WM, and find when they get into Radio Stoke country that they were deprived of the rest of it. One thing I did hear of, in subsequent gossip, was the possibility of a late programme on Radio 4 covering the day's arts. I have been clamouring for arts coverage on Radio 4 for ages, and this sounds good to me.

But Chancellor would be likely to stay on Radio 4 even if it were to be devoted to news and current affairs, for this is current affairs at its best. It will consist of five programmes, devised and presented by Hugo Young, about the Treasury.

The first of them, *The Topmost Mandarins* last Sunday, dealt with the personal qualities of the "mandarins" who staff the Treasury—more important, perhaps, than it sounds, for the personal qualities of the men in charge of our destinies are a vital factor. (Remember Maclean and Burgess?) The impression I took away was reassuring. No more bowler hats and striped trousers, they said, but "a very egalitarian society," as Roy Jenkins said, who call one another by their Christian names and have a whole spectrum of economic philosophies that are all subordinated in loyalty to the current Minister, and to one another.

Would it be helpful, Mr Young asked Sir Douglas Wass, to be able to count on an attitude of certainty from the Government? There's always Government uncertainty, Sir Douglas said. This Government is no different from the rest. We shall see how much the philosophers of the Treasury have done to alleviate this uncertainty on March 15, unless the Chancellor treats them as he treated the TUC. "He was obviously listening," Len Murray reported, "but whether he was hearing is something I can't say."

Max Wall

BY WILLIAM PACKER

The paintings and drawings that now occupy one of the principal temporary exhibition spaces at the National Portrait Gallery (until May 15) are the product of singularly happy and extended collaboration between artist and subject. Some two years ago, at about the time that she was coming to the end of her term as resident artist at the National Gallery, Maggi Hambling met Max Wall, the distinguished comedian, and it occurred to her to ask him to sit for his portrait.

She had lately been particularly engaged with portraiture, for which she clearly has a great gift, especially so when the circumstances of personal friendship allow her a psychological penetration somewhat deeper than perhaps is usual: but in *this* case, whilst the invitation itself was natural enough, it was founded only in her admiration of Wall's work over the years, and she had no thought of anything more than the immediate exercise.

Two years and all this work later, the exercise continues, with one of the major portraits already acquired by the Tate, another bought for the Contemporary Art Society, and other collections no doubt sure to follow. As Miss Hambling herself rather wryly puts it: "During Max's first sittings he would often say: 'Well, as you know . . . one thing leads to another'—and so it was."

Max Wall with one of his portraits by Maggi Hambling

She is an artist of a peculiar, indeed very much her own kind, an expressionist and a fantasist, something of a romancer: and her work falls into two distinct *kinds according to which of* these moods or aspects is for the moment uppermost. They remain closely related, nevertheless, feeding creatively and imaginatively upon each other, and it is a great point in this exhibition to make the relation clear.

For Max Wall was not regularly available, and there were periods when Miss Hambling was working entirely from what she calls her "internal image" of him. And so intense is that recollection, so closely informed by her objective scrutiny of him sitting before her, and her expressionist statement of his presence, and his properties, and the attributes of his craft, the battered hat and the clown's long boots, and the space they occupy together, that we could take certain of these overtly imaginative works, "The Visit of the Least Term" a notable example, with Max at his typewriter by the window, as not total recall at all, but closely studied from life.

It is this quality of sustained credibility that is new in her work, and which she even has the confidence now to feed into the large paintings from life, and still life too (which is very new for her), which is her principal achievement: the two of Max sitting in his terrible suit of evening clothes, now with his mischievous shadow creeping up behind him, now with owl and cat, quite as fine as anything she has done and more ambitious.

L'Egisto at the Guildhall

BY STANLEY SADIE

L'Egisto, composed for Venice in 1643 and thus a close successor of Monteverdi's *Poppea*, was one of Cavalli's most successful operas in his day. In modern times it has been seen in the US and in Italy; Scottish Opera has revived Raymond Leppard's arrangement, and last week the Guildhall School of Music and Drama let Londoners see it. I find it a little puzzling that this opera, in this version, should be the choice of an educational institution because it poses so many stylistic problems, in singing, playing and staging: for in this form it is neither a baroque opera nor does it possess any other coherent expressive character.

It was symptomatic that the production, the work of Michael McCaffery, made no apparent attempt to define a style of acting appropriate to the score, or indeed any style at all. The singers were dressed (not always flatteringly) in something akin to a seventeenth-century manner, and put in a rural glade; but no one moved, acted or gestured in anything other than a freely modern way. The most stylish performer was in fact the tenor acting the part, originally for soprano, of the randy old nurse: Richard Sweden showed a nice sense of timing. It was typical that the opening scene of the last act, a perfectly sincere exchange of amorous sentiments, should have been turned into a parody, with extravagant gestures and poses that were hopelessly at odds with the music.

The GSM has an active early music department. There was no evidence of its participation in this early opera. Mr Leppard's score includes lutes and theorbo but is for modern orchestra, with plenty of rich counterpoints for the accompanying strings as well as an offstage wind band. Peter Stanger, who conducted, did not always draw well-tuned playing for them. But the real trouble with this sumptuous score is that it shifts the expressive burden from stage to pit, and leaves the singers less free than they ought to be to make what they can of Cavalli's lines—which at their best are incomparably graceful, in his typical flowing triple *rhythms*. The two laments for abandoned lovers, with their passionate chromaticisms, offer their interpreters marvellous opportunities.

These students took them, but took them in the wrong sense. Paul Harrhy, in the name part, sang his like a romantic tenor: it would have been a hundred times more effective had he observed the expressive constraints proper to the idiom, but this bastard version of the idiom rules them out. The other, for Clemene, was quite tellingly sung by Anna Steiger, a soprano whose projection and articulation improved markedly as the evening wore on but here the busy inner strings made her voice one of many along with the violas and cellos and restricted her freedom. The other principals were Steven Rickards (Lidio), a well controlled countertenor who needs to gain a little in focus, a quite promising young baritone Quentin Hayes (Ipparco), and—the evening's most interesting voice—Ella Jarvela, a lowish soprano or high mezzo who sang the main female role, Clori, with warmth and address in a style certainly more Verdian than Monteverdian.

Considered trifles

VIDEO

NIGEL ANDREWS

You need a long rod and line to fish for fascinating forsaken feature-films in the oubliette of the video market. Movies which their distributors didn't deem worth spending the extra million plus dollars on necessary to publicise their cinema release, used to be rewarded with the fate known as "shelving." Today they're thrown straight out into the video shops; where hundreds of semi-anonymous wares swim together and where they are left virtually to publicise themselves.

Some films deserve a better-promoted fate. Not least *Bang The Drum Slowly*, ten years old, never seen in British cinemas, and now available from Guild Home Video. The young Robert De Niro, gum-chewing and flop-haired, is a baseball player dying of one of those resolutely nameless Hollywood diseases. (We assume it's cancer).

Michael Moriarty is his team pal, hale and nervously hearty, who wants to keep his friend's kudos and career alive for a season more; so he keeps the illness secret from the rest of the team. Including the manager, played by a here uproarious Vincent Gardenia, whose face is a conspiracy of fat and rudely inquisitive wrinkles, and whose eyebrows take off like fighter planes at every call of "Scramble!".

The illness is a sentimental contrivance that sticks out somewhat, like a sore McGuffin, from an elsewhere raw, funny and very credible picture of behind-scenes sporting life. Baseball footage is kept to a minimum, and scenes flicker and sizzle with a fly-about vernacular energy and wit in locker-rooms or hotels or training-fields.

Most refreshingly, both the main characters are drawn fully in the round. De Niro shows what a chameleon genius of an actor he is. This fuddle-haired, joky, dimwitted leaguer is as far from the aloof and troubled inwardness of his *Deer Hunter* performance as *that* was from his barrel-bellied and neanderthal Jake La Motta in *Raging Bull*. Moriarty, with his wide, startled eyes and chunky, assertive manner, is the most *interesting* young actor in Hollywood never to have reached stardom. Someone please give him a leading role.

Bang The Drum Slowly is a film well worth reeling in and cooking for dinner. James Toback's *Love and Money* (Guild Home Video), by contrast, is more typical of his studio rejects consigned to video. It's a waterlogged old boot; and with pretensions too. Toback promisingly scripted Karel Reisz's *The Gambler* and later wrote and directed *Fingers*, the spry tale of a gifted pianist (Harvey Keitel) who was a spare-time heavy for the Mafia.

Love and Money is Toback's latest opus and has leaped straight and deservingly into cassette obscurity. The plot about a young banker (Ray Sharkey) hired by an international silver tycoon (Klaus Kinski) to discourage a Latin American country from nationalising its silver industry (the President, Armand Assante, is an old Harvard pal of Sharkey's) is (a) incomprehensible and (b) interminable. Sharkey also enjoys an affair with Kinski's nubile young wife (Ornella Muti), but we, the audience, do not: the said romance being conducted with much ludicrous high-toned dialogue as the twain arabesque themselves into unlikely positions on hotel beds.

Spare a tear too for King Vidor, the late great Hollywood director (of *The Crowd* and *Duel In the Sun*), who is here called upon to lend his stately white hairs to the role of Grandpa Sharkey. Clearly Vidor came to the thespian art too late to master it and is like a noble duck gasping for life far away from water.

"*The ducks are on the lake!*" snaps General Rod Steiger with Texas accent in *Breakthrough* (Guild Home Video), our third feature-film *trouvaille* of the video week. Steiger means that the nasty Nazis are ready for shooting, plucking and roasting. We are somewhere in Europe near the end of World War II. Battered German battalion Sergeant Richard Burton offers to parley with *the enemy* (ie the Allies) to procure an honourable ceasefire and surrender. But will his snooty and psychotic immediate superior (Helmut Griem) agree? Will snow-haired German General Curt Jurgens intervene? Will Colonel Robert Mitchum, on the other side, raise the somnolent portcullises of his eyelids to take an interest in the plot?

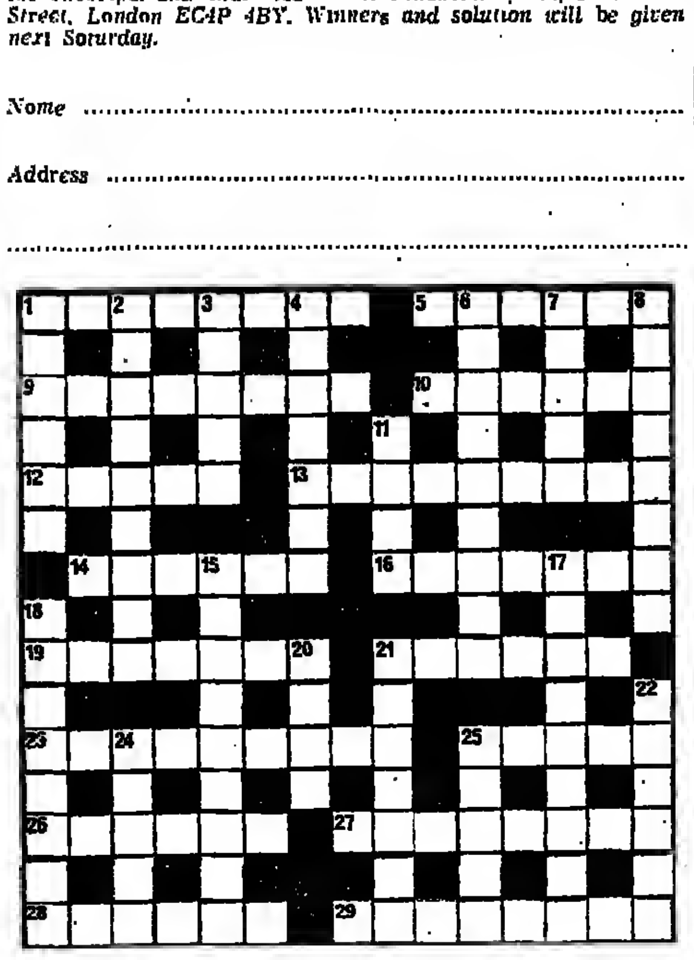
This piquant catastrophe of a war adventure — imperturbably cliché'd, valiantly shoestring — was written by Tony Williamson and directed by Andrew McLaglan (*The Wild Geese*).

F.T. CROSSWORD PUZZLE No. 5,114

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



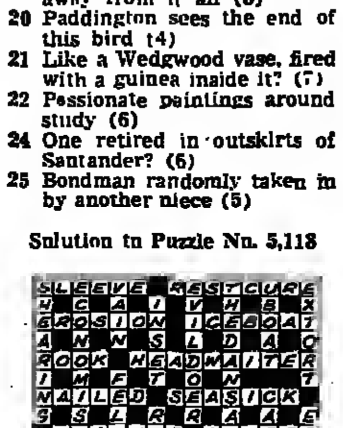
ACROSS

1 and 5 Lowers from the Grampians? (8, 6)
9 Beet said to be at the root of this trouble? (8)
10 Psittacosis produces standard decay in one (6)
12 Poet uncertain how to reply? (5)
13 A new one might hover — w-warn mole specifically! (9)
14 Roman body — body of soldiers — surrounding Uricon's head (6)
16 Top of Borg's equipment to function with hinge? (7)
19 Colonist stumping up (7)
21 Princely sounding stimulant (6)
23 So letting oneself down can be seen on the face (9)
25 Clear air over there (5)
26 Had a meal at the pub — that is natural (6)
27 So much of a facade, enough to make one graft (8)
28 "Damage to wheel-cushion endless" . . . (Tolpuddle witness) . . (5)
29 . . . and there becoming one fixed to the cause (8)

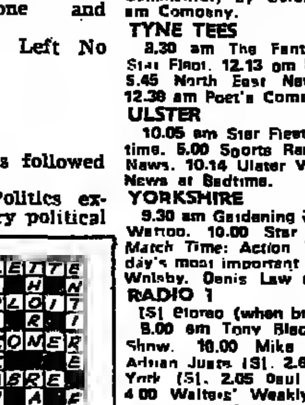
DOWN

1 Place of concealment for battery (6)
2 Vessel deliberately overturned on course? (5-4)
3 City of grand competition (5)
4 IoW's lighthouse almost unnecessary (7)
6 *AM signal from O? (5-4)*
7 Project to make pots (5)
8 The whole tiny tree trained thus (8)
11 eg Devon sailor, a lubberly sort (4)
15 Simply, art-form of some forecasters (9)
17 All those who gain the KG, perhaps? (9)
18 It is a fantastic life, getting away from it all (8)
20 Paddington sees the end of this bird (4)
21 Like a Wedgwood vase, fired with a guinea inside it? (7)
22 Passionate paintings around study (6)
24 One retired in outskirts of Santander? (6)
25 Bondman randomly taken in by another niece (5)

Solution to Puzzle No. 5,113



SOLUTION AND WINNERS OF PUZZLE NO. 5,108



Mr P. S. Bagwell, 14 Brent Way, London N3 1AL.

Mr Naydler, 80 Roebuck House, Stag Place, London SW1.

Mrs Morag Hamilton, The Bannan, Benthoul, Peterculter, Grampian AB1 0PR.

BBC 1

† Indicates programme in black and white

6.25-8.55 am Open University. 9.00 Hold Down a Chord. 9.15 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.45 News Summary; Football Focus (12.20); Boxing (12.50) from America and London; Racing from Haydock and Newbury; Rugby Union (2.40) England v Scotland from Twickenham and Wales v Ireland from Cardiff; Final Score (4.35).
5.10 News.
5.20 Regional variations.
5.25 The Dukes of Hazzard.
6.15 Jim'll Fix It.
6.50 The Saturday Film: "Dad's Army" starring Arthur Lowe, John Le Mesurier and Clive Dunn.
8.20 Paul Squire, Esq.
8.55 News and Sport.
9.10 Dynasty.
10.00 Wogan with Jean Rook, Peter Ustinov and Leo Sayer.
10.45 "The Martian Chronicles" by Ray Bradbury, starring Rock Hudson.

REGIONAL VARIATIONS:

Wales—12.15 pm Grandstand as BBC1 except 2.20-4.35 Rugby Union: coverage of Wales v Ireland from Cardiff, plus highlights of today's other International between England and Scotland. 5.20-5.25 Sports News Wales.

Scotland—5.20-5.25 pm Scoreboard. 10.45 BBC Scotland 60th Anniversary: "The White Heather Club." 11.15 The Martian Chronicles (As BBC1 10.45 pm). 12.45 Scottish News Summary.

Northern Ireland: 12.15 pm Grandstand as BBC 1 except: 2.20-4.35 Rugby Union: coverage of Wales v Ireland from Cardiff, plus highlights of today's other International between England and Scotland. 5.00-5.10 Northern Ireland Results (opt-out from Grandstand). 5.20-5.25 Northern Ireland News. 12.20 am Northern Ireland News Headlines.

England—5.20-5.25 pm London and South-East: Sport; South-West (Plymouth): Spotlight Sport: All other English regions: Sport/Regional News.

BBC 2

6.25 am Open University.
†3.10 pm Saturday Cinema Double Bill: "It's a Grand Life" starring Frank Randle, and at 4.55 "It's Great to be Young" starring John Mills.
6.25 Buongiorno Italia!
6.50 Sight and Sound in Concert: Level 42 at the Regal Theatre, Hitchin. (Simultaneously broadcast on Radio 1.)
7.30 News and Sport.
7.45 Saturday Briefing.
8.20 Birmingham Goes to Frankfurt. Concert from Frankfurt-am-Main by the City of Birmingham Symphony Orchestra.
9.50 Recruited by Blunt: Ludovic Kennedy investigates Michael Straight's involvement in the Cambridge Spy Network.
10.35 News On 2.
10.45-12.35 am Film International: "The Lacemaker" (French film with English subtitles).

LONDON

6.00-9.15 am TV-am Breakfast Programme. 9.30 Sesame Street. 10.30 The Saturday Show.
12.15 pm World of Sport: 12.20 Rallying—The Mintex International; 12.30 Tobogganing from St Moritz, Switzerland; 12.45 On the Ball with Ian St John and Jimmy Greaves; 1.15 News; 1.20 Motor Cycling from Carlsbad, California; 2.00 Snooker—Yamaha Organs International Masters; 2.45 Greyhound Racing from Wembley; 3.15 Snooker; 3.45 Half-time Soccer News and Reports; 4.00 Snooker; 4.45 Results.
5.05 News.
5.15 Greatest Hits—1974.
5.45 Chips.
6.40 Punchlines.
7.10 3-2-1.
8.15 Murder, Mystery, Suspense: Hawaii Five-O starring Jack Lord.
10.00 News.
10.15 The Big Match presented by Brian Moore and Jim Rosenthal.
11.00 Snooker.
12.30 am London News Headlines followed by Night Life: Presents: Rough Trade.
1.30 Close: Sit Up and Listen with Brian Cox.

CHANNEL 4

1.40 pm Tom Keating on Painters.
†2.10 The Gathering Storm: "Three Comrades" starring Robert Taylor, Franchot Tone and Robert Young.
†3.55 "The Stranger Left No Card."
4.20 *Metamorphosis*.
4.35 Password.
5.05 Brookside.
6.00 7 Days.
6.30 News Headlines followed by Preview 4.
6.45 A Week In Politics examines the Tory political initiative in Ulster.
7.30 The Other Side of the Tracks.
8.30 Hollywood.
9.30 Patti.
10.00 Upstairs, Downstairs.
11.00 Malu Muhler.
†12.00 Death to the City: "Ministry of Fear" starring Ray Milland.

S4C WALES

1.35 pm Shakespeare Lives. 2.00 Common Interest. 2.25 Rygbi. 4.05 The Tube. 5.00 Yr Awr Fawr. 6.00 Upstairs, Downstairs. 7.00 Twyllo'r Teulu. 7.30 Newyddion. 7.45 Euog? 9.05 Patti. 9.38 Glas Y Dorlan. 10.00 Y Maes Chwarae. 10.50 The Morey Brothers. 11.45 "Stella Dallas," starring Barbara Stanwyck.

All IBA Regions as London except at the following times:

ANGLIA

9.35 am God's Story. 9.50 European Folk Tales. 10.05 Star Fleet. 10.15 pm Match of the Week: Highlights of three First Division games involving teams from both ends of the division. 12.30 am At the End of the Day.

BORDER

9.40 am Kum Kum. 10.05 Star Fleet. 10.20 pm Match Time.

CENTRAL

9.35 am God's Story. 9.50 Larry the Lamb in Toytown. 10.05 Star Fleet. 10.15 pm Star Soccer: Tonight's football action includes a First Division match from the Central region.

CHANNEL

5.15 pm Puffin's Pla(i)ce. 5.20 Happy Days. 5.45 Falcon Crest.

GRAMPIAN

9.35 am God's Story. 9.50 Noddy. 10.05 Star Fleet. 10.15 pm Scotsport: League football from Scotland and England. 12.30 am Reflections.

GRANADA

9.35 am God's Story. 9.50 Cartoon Time. 10.05 Star Fleet. 10.20 pm Match Time: The best of the day's action featuring a top game in the area plus highlights from two matches. 12.30 am The Late Film: "The Misers Target."

HTV

9.35 am Ash Oscar! 10.05 Star Fleet. 12.13 pm HTV News. 5.13 HTV News.

SCOTTISH

9.35 am Wattoo Wattoo. 9.40 The Smurfs. 10.05 Star Fleet. 10.15 pm Scotsport: Football highlights from Scotland and England. 12.30 am Late Call.

TSW

9.25 am Look and See. 9.30 The Saturday Show. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Star Fleet. 10.50 The Fugitive. 11.40 WKRP in Cincinnati. 12.12 pm TSW Regional News. 5.15 Newsport. 5.20 Happy Days. 5.45 Falcon Crest. 12.30 am Postscript. 12.35 South West Weather.

TVS

9.35 am Secret Valley. 10.05 Star Fleet. 12.12 pm TVS Weather. 5.45 Saturday News and Sport. 5.50 Chips. 10.15 The Saturday Match: Football action introduced by Fred Dinenage, with comments from George Best and commentary by Gerald Sinstadt. 12.30 am Company.

TYNE TEES

9.30 am The Fantastic Four. 10.00 Star Fleet. 12.13 pm North East News. 5.45 North East News. 10.15 Shoot. 12.30 am Poet's Corner.

ULSTER

10.05 am Star Fleet. 1.13 pm Lunchtime. 5.00 Sports Results. 5.13 Ulster News. 10.14 Ulster Weather. 12.30 am News at Bedtime.

YORKSHIRE

9.30 am Gardening Time. 9.55 Wattoo Wattoo. 10.00 Star Fleet. 10.20 pm Match Time: Action from three of the day's most important games, with Elton Welsby, Denis Law and Martin Tyler.

RADIO 1

(S) Stereo (when broadcast on VHF)

8.00 am Tony Blackburn's Saturday Show. 10.00 Mike Smith. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.50 Sight and Sound in Concert (S) featuring Level 42 (a simultaneous broadcast with BBC 2). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.05 Album Time (S). 1.00 pm The Impressionists. 1.30 Sport on 2: Racing from Haydock at 1.45 and 2.15, Rugby Union: 2.30 Wales v Ireland and 3.00 England v Scotland: Football commentary at 4.25; 5.00 Football Results. 5.45 Racing Results: 5.50 Final Pools Check. 6.00 Country Greats in Concert. 7.00 Beat the Record with Keith Fordyce. 7.30 Big Band Special (S). 8.00 Stars of Friday Night is Music Night (S). 10.00 Hilversum Greets Radio 2 (S). 11.02 Sports Desk. 11.10 Barry Took's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert (S). 12.15 pm Jean-Philippe Collard, piano recital (S). 1.00 News. 1.05 Lost and Found (S). 2.00 Decade: The 1940s (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Music of Jehan Alain (S). 7.30 Wales Music Week 1983 from Brangwyn Hall, Swansea, part 1: Mathias, Messiaen. 8.15 Carnets (the literary diaries of Albert Camus). 8.35 Concert, part 2: Mozart (S). 9.40 The Enemy (portrait of Wyndham Lewis). 10.25 Nexus (S). 11.15-11.18 News.

RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather, travel, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 I'm Sorry, I Haven't a Clue (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 The Golden Obsession. 4.00 News. 4.02 International Assignment. 4.30 Does He Take Sugar? 5.00 Asian Links. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, travel, programme news. 6.00 News. 6.25 Desert Island Discs (S). 7.20 Stop the Week with Robert Robinson (S). 8.00 Richard Baker (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 The Scene Snapshots. 11.00 Lighten Our Darkness. 11.15 Stop the Week with Robert Robinson (S). 12.00 News.

BBC RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 9.33 The Magic Carpet Company. 9.03 Openings. 9.30 Corridors Of Power. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.30 Evening Star. 6.30 Radio Replies. 7.00 The Way It Was. 7.30 As Radio 1.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Clive Bull. 12.00 LBC Reports with Dan Fahy. 1.00 pm Sportswatch with Dominic Allen. 6.00 LBC Reports with Dan Fahy. 7.00 Gast Mala. 8.00 Network. 9.00 Haven On Saturday. 10.00 Nightline with Carol Thatcher. 1.00 am Night Extra with Steve Allen. 4.00 Travel '83. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

10.00 am Dick of the Pops Take Two with Alan Freeman. 12.00 Mike Allen's Music Centre. 2.00 pm Duncan Johnson's Afternoon Delight. 6.00 Al Matthews' Soul Spectrum. 8.00 Tribute To Karen Carpenter. 9.00 Richard Digance and Folk Friends. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special—Phil Allen.

CHESS SOLUTIONS

Solution to Position No 463

1...P-B7 ch; 2 K-B1 (2 QxP, Q-Q8 ch), NxP! 3 RxQ, N-K6 ch; 4 K-K2, NxQ; 5 K-Q2, N-K8! (threat NxB and P=Q); 6 B-B1, RxB and Black won with his extra piece.

Solution to Problem No 463

1 Q-N1 (waiting), R-B5; 2 R-B8, or if R-N5; 2 R-N3, or if RxR ch; 2 RxR, or if RxR (Q6); 2 QxR, or if BxP; 2 R(3)xR, or if R elsewhere; 2 Q-KR1.

THEATRES

هكذا اصل الأصل

Weaving an ancient yarn

BY JUNE FIELD

"*Woven pictures to make/And work fair in gold*," went the Ancient Lay of Gudrun, referring to the Icelanders who wove the exploits of their champions and giants in tapestry.

What is tapestry? The classical misnomer is of course the Bayeux Tapestry, the story of King Harold and the Battle of Hastings, which is not a tapestry at all, but a splendid piece of embroidery nearly 231 ft long, worked in coloured wools on coarse linen.

True tapestry is defined by the structure of the material, the design built up in the course of weaving. William Morris called it a mosaic of pieces of colour made up of dyed threads, "the force, purity and elegance of the silhouette," the first thing to be considered in the designing of it, plus "depth of tone, richness of colour, and exquisite gradation of tints."

Large-scale tapestries were the ultimate status symbol of the Middle Ages. Lords of the castle also found them just the thing for the rambling strongholds they called home. The rich colours and designs furnished or partitioned rough stone walls, or acted as a screen against draughts; and they were easily transported from one place to another, to be hung on rough nails, which accounts for the poor condition of the upper parts of some medieval works.

A tapestry from Arras has been immortalised as the fabric behind which Polonius hid from Hamlet, who prodded it with his sword, exclaiming:

How now! a rat? Dead for a ducat, dead. (Makes a pass through the arras) Polonius (behind): *O, I am slain!* (Falls and dies.)

The prestige (and value), of tapestries, whose main subject Philip the good of Burgundy constructing in 1440 a vaulted building specially for storing his treasures. Henry V's prize booty at Agincourt were the tapestries of Charles VI of France, and Henry VIII owned over 2,000 pieces at one time, acquired through succession, forfeiture, gifts and payments.

Like other art forms, some tapestries have a hallmark. Workshops of the 15th century, particularly, wove a distinctive mark or monogram into the border or selvedge, while from the 17th century a tapissier's initials were used, and later those who could read and write wove their name or signature into the fabric.

And as F. P. Thomson pointed out in *Tapestry — Mirror of History* (David and Charles 1980), a new terminology has emerged. "Tapestries are now 'edited' and 'published.' An editor commissions a designer who may be an artist without any grasp of the tapissier's repertoire . . . when it is finished it is published. . . The golden rule learned through the ages is ignored: that the best tapestry results from the closest co-operation between designer, dyer and weaver."

"Verdours" or verdure tapestries, whose main subject was a landscape or greenery, rather than figurative or narrative drawings, are fairly rare to find now. An exhibition, "Verdure Tapestry," devoted entirely to this category, has been organised in London by Charles Sternberg from May 26 to June 14. He says that in common with so many antiques, they are disappearing rapidly from the market: "We felt that this might be our last opportunity to put on such an exhibition where we can show over 40 under one roof." All are for sale, from £5,000 to £40,000.

He considers that verdures gave designers and weavers great scope and artistic freedom, although very few plants and trees are positively identifiable: "They would weave tiny trees with huge leaves, imaginary plants and fictitious animals. Poetic licence meant that a clearly recognisable flower could be accompanied by a leaf of the wrong shape. Their great appeal is that they can be hung in both country houses with rustic furniture, and in grander dwellings with more formal furnishings." The impressively illustrated catalogue is £10 plus £2 postage from Mr Sternberg, Vigo-Sternberg Galleries, 37, South Audley Street, London, W1.

Many of the magnificent works of the past were destroyed after the French Revolution, burnt after extracting the gold and silver content, although some have been known to turn up in odd places. The famous *Apocalypse of Angers*, the largest and finest example of Gothic tapestry, woven by Nicolas Bataille, was said to have been used in the greenhouse of the abbey of St Serge to protect the orange trees from the cold, and parts of it cut up for bed rugs. The full story is told in the standard work *A History of Tapestry*, 1906, by W. G. Thomson, first Director of Weaving at the Dovecot Tapestry Studios, Edinburgh. His son, F. P. Thomson, revised the epic work for E.P. Publishing in 1973.

Another important Gothic allegorical tapestry illustrating the medieval poem the *Roman de la Rose* is the latest work to surface, going to auction at Sotheby's in New Bond Street on Friday. The tapestry's history is a mystery, its existence unknown to scholars until its reappearance recently in Europe. "But it is unmistakably the work of the tapestry-makers of Tournai at the height of their artistic achievement in the second half of the 15th century," insists Sotheby's tapestry expert George Hughes-Hartman, who says it is very rare for such a masterpiece of tapestry to be discovered in a private collection and to be unrecorded.

The tapestry has been authenticated by authorities at the Victoria and Albert Museum and the *Musée Cinquantenaire* in Brussels, and already several museums in America and Europe have expressed interest in bidding for it, and the original estimate of £50,000 to £80,000 has been upped to £100,000 for the top bracket.

The catalogue, which has the unfortunate misprint of c1745 instead of c1475 as the date of the work, is £6.50 to callers at Sotheby's, 34-35, New Bond Street, London, W1, or post-free from Sotheby's Catalogues, c/o BTB Mailing Services, Unit 1S, The Manton Centre, Manton Lane, Bedford (0234 47814).

Balloons that got away

THE ROYAL Mint has come up with an excellent method of promoting its coins and, at the same time, giving us the perfect incentive to "eat right for health"—at least according to the devotees of the fashionable F-plan diet.

The scheme, incidentally benefits Heinz since one is required to send in the labels off 25 cans of baked beans to qualify for a 1983 year set of British coins. This offer, which is open till the end of May, is limited to four applications per household and I am reliably informed (by my wife, of course) that cans with the coin-offer label are in short supply.

This reminds me of a clipping from the "York Chronicle" of December 1783 which Tony Gammons of the National Postal Museum showed me the other day. Under the headline INTELLIGENCE . . . EXTRAORDINARY! It announced that "Air Balloon Diligences between York and London will shortly be established, carrying four persons, each of whom will be allowed 13 stone weight, including luggage of every kind. It is recommended that any provisions taken may be of the flatulent kind, that in case of necessity proper use may be made of the gaz (sic) produced by them; for the application of which, particular directions will be given in due time. The Balloon will be towed by a single horse, the line fixed firmly to the saddle."

The naivety and credulity of the general public in accepting statements of this kind reflected the ballooning craze which swept Europe in the closing months of 1783. On June 5 of that year the brothers Joseph and Jacques Montgolfier had released a large bag filled with smoke, witnessed by a large crowd at Annonay. This was a relatively crude form of balloon, soon improved by the Robert brothers and the leading French physicist, J. A. C. Charles, who constructed a balloon of rubberised silk inflated by hydrogen and sent it aloft from the Champ de Mars in Paris on August 27. It took four days to fill the balloon and the crowd of spectators grew so large that the balloon had to be moved secretly at night from its original location.

The *charlier* balloon was unmanned, but the following month the Montgolfiers went a stage farther by launching a balloon whose cage carried a cock, a sheep and a duck. The balloon ascended to 1,500 feet and flew two miles before descending safely. The only casualty was the cock which received a kick from the sheep. In October, Jean François Pilâtre de Rozier, Superintendent of the natural history collections of King Louis XVI, made several practice ascents in a tethered hot-air balloon. On November 21 Pilâtre de Rozier, accompanied by the Marquis d'Arlandes made the first free balloon flight from the Jardin du Chateau de la Muette in the Bois de Boulogne.

It launched mankind into another dimension: Aerostation, as ballooning was originally known, spread like wildfire and only four days after the inaugural flight Count Francesco Zambecarri sent up from the artillery ground at Woolwich, an unmanned balloon which travelled 48 miles in 2½ hours.

The announcement in the "York Chronicle" proved to be premature, for the first manned balloon launched from British soil was that flown by James Tytler who ascended from the 'Comely' Gardens, Edinburgh on August 27, 1784 and landed at Restalrig half a mile away. For this feat he was ever afterwards known as Balloon Tytler. Though Tytler had precedence, credit for popularising ballooning must go to Vincent Lunardi whose flights in many parts of Britain in 1784-85 excited enormous interest and wielded enormous influence on contemporary fashions, from the balloon-backed chairs and balloon watches to the aptly named Lunardi bonnet.

Inevitably the balloon craze was commemorated in every medium, from pottery and porcelain to samplers and silver. Lunardi's balloon flights were celebrated by a series of medals featuring his bust on the obverse and a view of a balloon above the clouds on the reverse. The silver and white-metal versions are rare, but the bronze edition is not uncommon, though much sought after by collectors of aeronautica.

Considering the enormous impact of aviation over the past two centuries it is surprising how seldom this theme has been depicted on coins. In 1930 Germany issued silver 3 and 5 mark coins celebrating the world flight of the airship *Graf Zeppelin* the previous year. Since each denomination was struck at all six mints then in operation, in ordinary circulating and proof versions, this issue gave aerial numismatics a flying start, but it is only within the past decade that other coins in this theme have appeared.

The bicentenary of aviation this year has already provoked a spate of stamps but only one set of coins so far. The Isle of Man has just released four crowns depicting the original Montgolfier manned balloon of 1783, the Wright Brothers Flyer of 1903, the Gloster Whittle jet of 1941 and the Orbiter Space Shuttle of the present day. A special edition of the Montgolfier crown is available at the Pobjoy Mint stand at the Ideal Home Exhibition, at Earls Court till April 4.

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Peter Robbins previews today's Rugby internationals

Irish to beat that Cardiff jinx

Steve Smith and Ciaran FitzGerald

THE GAME at Cardiff between Wales and Ireland is by far the most intriguing of today's two international matches. Not that the Calcutta Cup is without its own interest but as Ireland are unbeaten so far they now face their hardest task as they edge towards the Grand Slam which has eluded them since 1948. But if they beat Wales today only England stand in their way on March 19.

Have Ireland been that good, or have the other sides been so bad? The answer is a bit of both. Certainly it has been admirable the way the venerable Irish pack has lasted both matches but against both Scotland and France the pack was not fully stretched, especially the back row.

What has carried the Irish through has been the staggering experience of the scrum, and the ability of every individual to raise his game on both occasions. Apart from France, Ireland has the only pack to have played with consistent aggression. There is no doubt that national pride has been a great motivator and also Cairan FitzGerald the captain.

I understand that the preparations before the previous two matches were rather more thorough than on past occasions. Scotland and France were lengthily appraised on video, and Ireland planned accordingly. Those plans did not come to complete tactical fruition but both results were extremely valuable.

Wales, yet to confront a decent pack this season, will feel the difference in physical impact and determination. And Ireland have a solitary genius in Campbell at flyhalf, whose tactical appreciation is unrivalled on the international scene.

In spite of his comparative failure against France his goal-kicking is a priceless asset.

Ireland have had cause to thank their centres Irwin and Kiernan, who have missed no chances at all presented by McGrath and Campbell. Finn and MacNeill have both shown tremendous form and there is already talk of at least six Irish backs being chosen for the Lion's tour of New Zealand.

Even recognising their win in Scotland, the Welsh team is still not very convincing, but any mistake by the Irish will be severely punished by Wyatt whose selection has been amply justified. I would expect Wales to concentrate on the one notable area of Irish weakness—their front row.

Ireland beat the French by feeding on mistakes rather than manufacturing their own tries. Secondly, Wales ought to try to stretch Slattery, Duggan and O'Driscoll. If they do this, they will have the pace to support their own wide attacks.

The problem is that both teams play down restricted corridors, and within restricted tactical parameters. So the match will ultimately depend not just on the two packs but on the personal success of Holmes for Wales and Campbell for Ireland.

Two years ago, Ireland lost tragically by two tries (8 points) to two penalties and a drop goal (9 points) with Ward also narrowly missing a conversion. I would look to Ireland to end the great hunger and win at Cardiff for the first time since 1967.

Scotland's season has been most unfortunate with injuries to key players. But they have lost their matches by just one score in each case. They could well have beaten Wales but Laidlaw's pause to look and find Gossman prevented real speed in their three-quarter attacks. In today's Calcutta Cup match against England, Rutherford back to direct things at fly half, and Laidlaw relieved the cares of captaincy, the hard back play should be immeasurably improved.

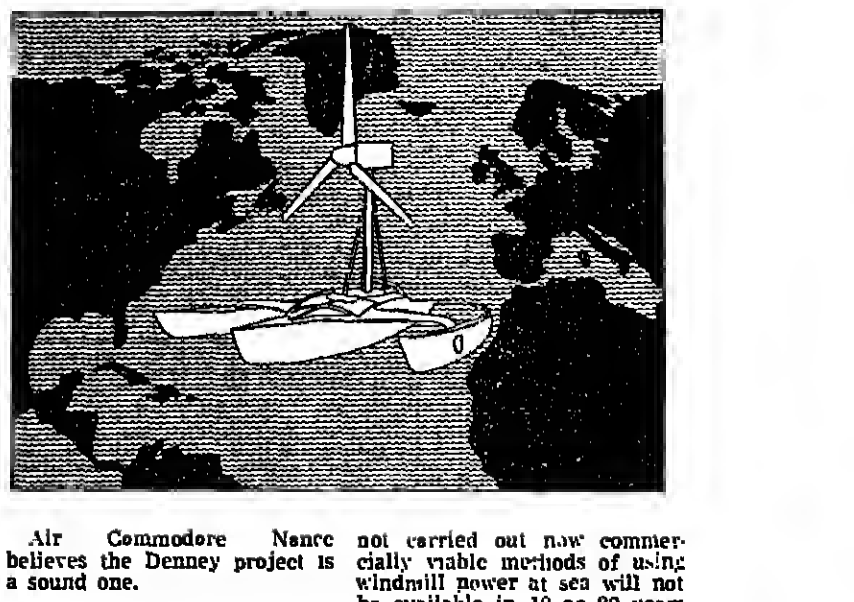
The relegation of Tomes and Cuthbertson was entirely predictable, because Tomes has shown no real form and Cuthbertson has given away a series of silly penalties. Smith, one of the new second rows, is a huge man and he is at least familiar with the positional demands of second row. Not so Paxton, and Scotland are taking a fearful gamble, presumably banking on pace round the field as against any solid platform.

England have an awful lot to lose and must be hoping to salvage something from their last two games. The injury to Nigel Melville—called in to replace former captain Steve Smith—must be a bitter blow. With Melville's inclusion, there was the exciting possibility that the ball would reach the backs more quickly.

Without wishing to be unkind to Smith, who has served England nobly, I believe that Melville's absence has lifted the game in Scotland's favour. But who knows?

Raymond Snoddy reports on a yachting revolution

Whirring across the Atlantic



A 27-YEAR-OLD New Zealander who earns a living delivering yachts from Britain to the Mediterranean for those with neither the time nor the stomach for crossing the Bay of Biscay, is trying to put together a unique transatlantic project.

Rob Denney is planning to enter a windmill-powered trimaran in the 1984 Observer Single-Handed Race from Plymouth to Newport, Rhode Island, for what he believes would be the first windmill-powered crossing of the Atlantic.

But if he gets his trimaran built Rob Denney will be a long way from being the first windmill-power mariner.

The first recorded example, according to Air Commodore Charles Nance, a consultant on the applications of wind power, was in 1811 when Robert Dawson used a vertical axis impulse rotor to propel his ship from Bristol to London. In 1872 a Captain Buckley planned to travel across the Atlantic by windmill power on the two-ton City of Ragusa. It is definitely known that he got as far as what was then Queenstown in Ireland, now called Cobh.

Other more modern exponents of windmill power have included Lord Brabazon in the 1930s and more recently Jim Bates, a New Zealander, who mounted a wind turbine water screw on a 30 ft yacht.

Designs have already been drawn up for Rob Denney's 28 ft diameter, three-bladed, controllable-pitch horizontal axis wind turbine. It will be used to drive a 40 in controllable-pitch water propellor via hydraulic transmission.

The rig will be mounted on a tripod, two legs of which revolve on a 6 ft diameter track so that it always faces the wind.

The tremendous advantage of a windmill-driven yacht is that it can make headway sailing directly into the wind—the dominant wind direction when sailing across the Atlantic from east to west.

But Denney believes his planned trimaran, with the help of a kite to give a little extra propulsion "should also have sufficient down-wind speed to attempt a record-breaking passage back from America."

Denney says he has assembled a team to construct his trimaran which includes Roderick McAlpine-Downie the yacht designer, Dr Roger Wootton, technical director of Atkins Engineering, the consultant engineering company, Geoffrey Williams, who is working on a doctorate on wind generation of electricity, and Dr Stephen Huckvale of Moog Controls, a specialist in hydraulic systems design.

Denney estimates it will cost around £90,000 to complete the project and it will only go ahead if commercial sponsorship can be found.

Air Commodore Nance believes the Denney project is a sound one.

He thinks it is very important to have a working prototype to test recent research which he and Atkins Engineering have done. The results suggested that in favourable circumstances windmill power could be commercially viable as an auxiliary power system to save fuel.

"This is the first attempt to go across the Atlantic by windmill power. It will give very valuable information," Air Commodore Nance says.

The shipping industry, he warns, tends to work on short lead times. If basic research is not carried out now commercially viable methods of using windmill power at sea will not be available in 10 or 20 years when they might be needed.

The Royal Western Yacht Club which organises the race has cleared Rob Denney for the crossing.

"It's wind driven and we will accept it," Mr Lloyd Foster, club secretary said. Because it can sail directly into the wind, the club is reserving the right to treat it as a powered vessel so far as the "rules of the road" are concerned. The craft would then have to stay well away from all the conventional yachts.

SKIING

ARTHUR SANDLES

UNTIL that moment I thought she was asleep. We crested the top of the final hill, taking the last climb steadily in first gear, and emerged into the village. "Phew!" said the voice from the darkness of the passenger seat. "I never thought I'd see this place tonight."

One of the problems of driving to a ski resort is that the last few miles are always in the dark, in the snow and on narrow, winding roads. In this case we had snaked up the road from Kufstein towards Kitzbuhel, heading in fact for Westendorf. It was blowing a blizzard and my rented car had neither snow tyres nor chains.

However, the front-wheel drive of the little Fiesta took us whistling past lurching Mercedes, floundering like so many drunken dinosaurs, and delivered us safely to the cosy alpine warmth that only the Tyrol can provide.

Used as I am, like so many British skiers, to the Munich/Geneva/Zurich charter flights and the onward coach journey to the resort I had forgotten what wonderful freedom a car gives a skier. You can follow the snow or, if conditions are better for shopping than skiing, get away from the hills and head instead for the sybaritic pleasures of the cities.

And yet remarkably few Britons choose to use cars, either their own or rented.

In fact winter ferry rates are favourable, you have no baggage problems, you can change your mind about resort — or even country — at whim and, if there are four of your, prices start to become very competitive with package tour rates. It is, of course, a bit of a long haul to Austria and, unless you are really determined, the Dolomites are hardly worth the driving bother.

With spring skining now starting and the snow reports highly favourable, we are coming to the time of year when a car-ski trip is extremely tempting. Most airlines, including Austrian Airlines to Salzburg, offer fly-drive schemes. But . . make sure that you have chain[s], try to rent a front wheel driv[e] car, ensure the screen wash[er] has anti-freeze, and try to arri[ve] in the mountains in the dayligh[t].

SNOW REPORTS

Andermatt (Sw)	80-290 cm	Excellent skiing everywhere
Les Arcs (Fr)	165-230 cm	Excellent skiing
Arosa (Sw)	*110-180 cm*	*Powder on good base*
Crans (Sw)	40-130 cm	Good skiing everywhere
Flaine (Fr)	125-400 cm	Excellent piste skiing
Grindelwald (Sw)	*20-150 cm*	*Wonderful skiing throughout*
Muerren (Sw)	110-220 cm	Sun after five days of snow
St Anton (Aus)	75-260 cm	Powder skiing everywhere
St Moritz (Sw)	60-140 cm	New snow on good base
Seefeld (Aus)	50- 80 cm	Excellent skiing everywhere
Tignes (Fr)	165-248 cm	Powder on north-facing slopes
Val d'Isere (Fr)	143-236 cm	Skiing good everywhere
Verbier (Sw)	45-198 cm	Pistes in very good condition
Villars (Sw)	70-185 cm	Excellent conditions
Wengen (Sw)	30-140 cm	Excellent skiing

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col)	12- 41 ins	Packed powder all runs
Hunter (NY)	18- 76 ins	Packed powder on machine bas[e]
Park City (Ut)	12-107 ins	New snow, all lifts open
Squaw Val (Cal)	7-204 ins	Pwdr. and groomed rns. granul[ar]
Stowe (Vt)	12- 48 ins	Groomed loose and frozen
Sugarbush (Vt)	8- 24 ins	Spring conditions

Figures indicate depths at top and bottom stations.

RACING

DOMINIC WIGAN

NEWBURY OFFERS its racegoers a predictably strong programme today with sponsored races and the Geoffrey Gilbey Chase on the card, but there is even better fare in store for Haydock's customers. There the Victor Ludorum hurdle is followed by £14,000 races for the *Timeform* chase and for the Greenall Whitley Breweries' chase.

Only four are due to go to the post for the Timeform chase, but what the race lacks in quantity it more than makes up for in quality. It sees Fifty Dollars More attempting to give weight to Branding Iron, Gaye Chance and Bold Agent.

Fifty Dollars More, who put up such a tremendous display in running last year's Timeform winner, Wayward Lad, to a couple of lengths in the King George VI chase at Kempton over Christmas, lost no cast in defeat at Sandown soon afterwards. With his Esher trip coming, perhaps, a shade too soon after that epic duel for the King George, in which Silver Buck was a length and a half back in third place, Fifty Dollars More was not disgraced in failing by only 2½ lengths to give a rejuvenated Lesley Ann eight pounds in holding conditions.

Branding Iron completed a well-earned hat trick at Kempton towards the end of last month through a 12 lengths victory over Tsarevich, but it is doubtful if he has the class to hold Fifty Dollars More at a difference of only 6 lbs. In contrast Gaye Chance is a very different proposition. An eight year old always held in the highest regard by Mercy Rimell he has produced his best form on this Lancashire course. In receipt of 8 lbs from the top weight Gaye Chance, a three lengths runner-up to Combs Ditch at Ascot last time out, may just prevail.

The more one sees of Brown Chamberlin the stronger the belief grows that he is not the greatest of battlers and I rath[er] doubt him proving resilie[nt] enough in the Greenall Whitb[read] for such seasoned handicappe[rs] as Richdee and Manton Castl[e]. The last-named looks the eac[h] way answer at odds of arou[nd] 8-1.

HAYDOCK
1.15 Wallow Will*
1.45 Gaye Chance***
2.15 Manton Castle
2.45 Ski's Double
3.15 Happy Voyage
3.45 The Last Prince

NEWBURY
1.30 Janus
2.00 Lucyfar
2.30 Simon Legree
3.00 Venture to Cognac
3.30 Chasm**
4.00 Buck Royale

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Premature celebration

FOR THE past week the London and New York stock markets have been testing new high ground, while the Opec oil ministers have been flying around the world, quarrelling. Yesterday came the news that the Opec ministers had patched up some kind of agreement, to be formalised on Monday, and tested in practice over the next month or two. Meanwhile, the central banks are beginning to consider the second and more painful stage of debt reconstruction. When the markets show such confidence against a background of such uncertainty, it is time to pause and consider the evidence.

One point can be settled fairly quickly. In almost any circumstances, UK industry is likely to have its best year for some time, provided that sterling does not stage some strong and untoward recovery. A fall in the exchange rate is a quite unambiguous stimulus to activity and to profits—and, on the obverse side, to inflation.

The increase in inflation is not all bad news; a rise in prices is the adjustment mechanism through which real income is transferred from consumers to companies, from wage-earners to employers. The rapid swing in confidence shown in the CBI survey confirms this helpful result. The trouble, if any, will follow in later years, if trade unions see rising profits as an opportunity for a wage push; that depends partly on whether rising activity adds enough to national income to protect consumers despite rising profits.

Confidence

The rise in confidence in London, then, has a firm rational base for the short term. There could be trouble, it is true, if the Opec compromise fails to work—not an unlikely event—and the oil price falls really hard, causing financial trouble for the Chancellor. He has been protected so far by the fact that the dollar price of the pound has fallen faster than the dollar price of oil.

A sudden fall in the dollar against other currencies as a result of the weak U.S. current account would pose the same problem, since oil is priced in dollars. However, we are unlikely to face both these problems at the same time, since a weak oil price is a strong bull point for the dollar. This fact, paradoxically enough, tends to protect Opec real income per barrel of oil, even if the price does fall.

It should be remembered, finally, that the "market forces" which fix the price of oil, according to the Prime Minister, are not only manipulated by Opec. The big oil companies, it became clear last week, have been running down their *stocks* at an *abnormal* rate. This is good business, of course, if the price does fall abruptly; but it is also a way of bringing downward pressure on the price.

It is risky, although in the end, stocks have to be replenished, and if Opec can hold together until then, they may enjoy an unexpectedly strong market. We are witnessing a power struggle, and it is by no means settled yet.

But against this turbulent background, can Wall Street's confident hopes be justified? Not according to Dr Fritz Leutwiler, Swiss President of the Bank for International Settlements, who dismissed the American recovery as "wishful thinking" in an interview published in Paris this week.

Evidence

The evidence in favour is not as impressive as it looks. There is an upturn in orders on U.S. industry, it is true; the same thing happened in this country a year ago, when our own stampede to reduce stock slowed down, but it proved a false dawn.

Consumer spending is no longer growing strongly, now that the tax rebates paid out at the turn of the year are gone, and capital spending is still sharply down. So are exports: if a weak pound is good news for British industry, a strong dollar can only be bad news in the U.S. If there is a sustained rise in demand, it may do as much for imports as for the U.S. economy.

It is true that the U.S. leading indicators have jumped; but this should not excite the markets. Basing investment policy on the leading indicators is a bit like grinning at the mirror to cheer yourself up. The indicators are strongly influenced by the market itself.

Meanwhile, the world banking cisis has only been postponed, not solved. Commercial banks are becoming impatient at rescue schemes which have the effect of depressing the earnings of banks which have been prudent to support those which have not. Central banks are therefore beginning at last to show some practical interest in a range of schemes to reconstruct international debt. All of them so far offer terms which could make a nasty dent in the prifits of those banks which have been reluctant to make adequate provisions against their country lending. Credit contraction does not suggest a boom; investors, please note.

The story behind the ratings

By Raymond Snoddy

"THE baby was born on a cold slab and the ITV companies didn't know whether to stab it or feed it," says Mr Justin Dukes, managing director of Channel Four as he surveys four stormy months on the air.

Rarely has a new enterprise encountered so much hostility at its inception, much of it from a not entirely disinterested press.

Allegations of boring programming, profanity and political bias coincided with apparently disappointing ratings and a dispute about advertising that is still going on.

But behind theories that the ITV companies would like to see Channel Four fail — so that they can get by default the control they failed to persuade the Government to give them—a very different picture is beginning to emerge.

It is of a channel which is carrying out its remit to provide television "diverse in form and content" and at the same time bringing to ITV an audience which either hasn't watched television before or hasn't watched ITV before.

For hidden within the 4 per cent viewing figures is not only a high "patronage" figure — at least 75 per cent of Londoners watch at least one programme a month and 69 per cent for the country as a whole —but the audience is younger and more affluent than the present ITV audience.

In an internal assessment of the first 12 weeks on the air Channel Four itself concludes that the 3.5 per cent for the week ending December 26 was a low which "temporarily disappoints.

"It should not be allowed to obscure the significance of the evidence which clearly suggests that the audience has come virtually wholly from non-ITV viewers.

"The effect has been to add an average of between 8 per cent and 9 per cent to the total audience achieved by the whole of commercial television," the report says.

Mr Dukes is a former managing director of the Financial Times and understands the importance of accurately hitting particular target groups.

He believes that Channel Four can reach a total audience share of 6-7 per cent by the end of the year and is on target towards the stated objective of a 10 per cent share within three years. The ITV companies, he says, are getting their new national channel at bargain basement prices.

To some extent this is a matter of definition. After allowing for inflation and the cost of the Welsh channel, the ITV companies will be paying about £100m—about 14 per cent of their net revenue—for their "subscription" to Channel Four.

In a rather typical British compromise between the needs of the public interest and the commercial necessity of profit-seeking companies, ITV pays the money, Channel Four spends it on buying or commissioning programmes and the Independent Broadcasting Authority, rather at a distance, holds the ring.

But just as the apparently poor audience rating hides more than it reveals, so the large figures obscure much more. The ITV companies—total advertising revenue in the 12 months up to this January, £705m—are actually getting a much better deal than the figures suggest.

Mr Dukes points out that because the Channel Four subscription is deducted from revenue *before* either corporation tax or the television levy, Channel Four is in effect being largely funded by the Treasury which would otherwise pocket most of the money now going to Channel Four.

The levy, after all, can be swingeing in profitable years—after a "free slice" of profit the ITV companies pay a levy of 66.7 per cent to the Government.

This argument is strongly supported by stockbrokers Grenfell and Colegrave in a recent study on the prospects for London Weekend Television. They say that although LWT would ostensibly pay around £10.5m in subscription to Channel Four next year, "the impact on profits is much less strong than these figures imply. The subscription is taken out pre-tax and pre-Exchequer levy. Thus the charge to post-tax profits is roughly 17 per cent of the relevant subscription figure."

After advising clients to buy LWT "for substantial medium-term growth," the brokers point out that before the Equity-Institute of Practitioners in Advertising dispute, LWT had full Channel Four booking for November and December worth £2m a month. "Total bookings would have covered the initial year's subscription. In addition 90 per cent of the business was new," they say.

Mr Dukes maintains that some of the squeals of financial anguish have been heard because the ITV companies decided to finance a major new project out of current revenue (although they have had some loan help from the IBA) in the middle of a recession.

Channel Four has certainly had a difficult start but in the industry the view of its prospects has become steadily more optimistic. Mr Clive Leach, chairman of the marketing committee of the Independent Television Companies Association, says that the channel is now "doing fine." And Mr Paul Fox, managing director of Yorkshire Television, points out that it took seven years for BBC 2 to reach a 7 per cent audience and 14 years to reach 11 per cent (although it should be remembered that BBC 2 had nothing like Channel Four's initial 87 per cent penetration).

Mr David Plowright, managing director of Manchester-based Granada, says that the new channel has built a solid base and brought him viewers he didn't have before. He believes Channel Four's own forecasts of 6-7 per cent this year are too pessimistic and that they will get their 10 per cent by December.

Ashley Ashwood

Minding the baby: Jeremy Isaacs (left), chief executive, and Justin Dukes, managing director of Channel Four

Mr Anthony Smith, a former BBC television current affairs producer, has probably more right to pass judgment than anyone. In 1972, as a research fellow of St Anthony's College Oxford, he advocated the setting up of a National Television Foundation which would broadcast programmes according to a doctrine of "openness rather than balance, expression rather than neutralism."

Yesterday Mr Smith, now director of the British Film Institute and a board member of Channel Four, said: "It corresponds so closely to the vision that some of us had in the early 70s that it is almost uncanny."

A new television audience had been assembled, a new industry of independent producers had been created and it was financially viable in the middle of a recession and an advertising strike.

What about the programmes? The apochryphal images created by news about Quilt-Making in Women's Lives will reverberate for years in the minds of thousands who actually never see them. And 75 minutes on the structure of the Post Office in peak viewing time on a Sunday evening are not the stuff which dreams are made of.

Or, as Mr Jeremy Isaacs, chief executive said modestly last week: "There are some duff programmes."

But into the balance must be thrown the Irish RM, which is likely to get a showing on ITV 1, and Walter a courageous first night film on mental handicap which has already picked up two nominations for best drama of the year award.

Mrs Sue Stoessl, head of marketing points out that the hour-long news programme has been sharpened up and the celebrated "nil rating" of under 250,000 viewers has been pushed up to more than 600,000. Is, she wonders, an audience of 600,000 all that bad for a programme called Design Matters?

There are more improvements to come. The Channel intends to improve its signposting of programmes, tilt the balance slightly more in favour of humour and entertainment and use drama series more deliberately as audience building devices.

Last week in Monaco, Jeremy Isaacs returned to the baby metaphor. Channel Four was "a healthy baby with 10 fingers and 10 toes that is sleeping at night." An irreverant commentator added "an infant moreover that is producing its fair share of the stuff of which nappies are filled." But over the longer term Mr Isaacs could yet be proved right.

WHY THE ADVERTISING DISPUTE IS STILL HITTING THE SCREENS

ALL IS not well in the television advertising industry.

The dispute between Equity and the advertising agencies has now been going on for four months and no end is yet in sight. Ostensibly it is about the size of repeat fees paid to actors who appear in commercials which run on Channel Four or TV am. But it also raises other longer-term issues about the future of the £700m industry.

Equity, the actors union, insists that actors who appear in commercials should be paid, as at present, according to the number of spots shown and the number of times a commercial is repeated.

But theagencies, mostly represented by the Institute of Practitioners in Advertising (IPA), say this is commercial nonsense. They argue that new channels like Channel Four and TV am are aimed at a new, much smaller audience which cannot be measured simply on the old cost per thousand basis.

Instead they want a new audience-related system of payments to actors and claim that eight "generous" offers to the actors' union have been turned down in the last year. Equity fearing the erosion of members' incomes and worried any deal could ultimately jeopardise their members' earnings on ITV-1, is still standing firm even though the two sides had got quite close before talks broke down late last month.

Agencies, and the 15 ITV companies that sell advertising time on both ITV-1 and Channel Four, are divided about the real cost of the Equity demand. "Its a pathetic debate," says one independent media buying agent: he calculates that on a recent £500,000 campaign the extra cost of meeting Equity's demand would be only £175 each time the commercial was screened. This would be a tiny fraction of the cost of making and showing the ad.

Others disagree. "Artistes' costs can be very high," says one agency chief citing one commercial with total production costs of £39,600 whose repeat fees for the five actors involved came to £8,719—a significant proportion of overall production costs.

One consequence of this even before the dispute, was that agencies have been cutting down on the use of actors anyway—25 per cent fewer were used last year than in 1982. The contractors have certainly "lost" ads on Channel Four, but advertisers are increasingly getting round the dispute by not using actors at all.

Whatever the truth about repeat fees, the agencies resent the power of the ITV contractors and would much prefer that advertising space on Channel Four was sold as it is on the much smaller TV am. There the ads are sold by TV am's salesmen who are independent of the rest of the ITV campaign.

Many agencies believe that the ITV companies had too much power even before the advent of Channel Four. They argue that they have used this to push up ad rates and that, particularly at peak time, they have played one advertiser off against another.

This partly accounts for the case which J. Walter Thompson has taken to the Office of Fair Trading. The JWT case, which is not linked directly to Channel Four, concerns the sales practices of Thames TV, the largest of the ITV contractors.

Many agencies would prefer the links between Channel Four and the contractors to be broken, but the structure is guaranteed until 1990 and, short of major financial problems among the contractors, there seems little that can be done to alter it.

Their sights are also fixed on the new cable and satellite stations, promised for later this decade. Like Channel Four these will be aimed at smaller, more selective audiences and the IPA does not want to find itself locked into an expensive system of repeat fees.

All three sides in the dispute therefore have something more than just repeat fees to loses which suggests that the test cards sometimes to be seen on Channel Four instead of commercials could be there for some time yet.

Feona McEwan

Letters to the Editor

Legislation

From Mr D. Tallon

Sir, — Mr Nugee's letter (March 1) misses the real point.

There is much tax legislation on the statute book which clearly does not, when it comes before the courts, adequately reflect the intention of its sponsors. The Vestey case which Mr Nugee quotes is itself the classic example of this. The present House of Lords reverted to an interpretation of Section 478 which is much more closely akin to the intentions expressed by the sponsoring Minister nearly 40 years before.

For 30 of those years, however, the Congreve decision of the House of Lords of the early 1950s had given a very perverse interpretation of the section — and one which was known to be inadequate.

It can be conceded that it is not the business of the courts to take into account the intentions of the legislation as expressed by sponsoring Ministers.

This does not, however, mean that such words of comfort for taxpayers should be ignored in the administration of the tax system, which is vested in the Revenue.

There has been a proliferation of anti-avoidance legislation, frequently drafted in all-embracing terms during the last 25 years. Furthermore, Lord Diplock made the point in Burmah that Ramsay marked "a significant change in the approach adopted by this House."

On the whole, few responsible taxpayers or their agents will regret this curtailment of the activities of the avoidance marketeers, whose speciality was to use the detailed wording of legislation against the Revenue. But surely this climate demands an equal sense of responsibility from the Revenue in deciding whether to pursue matters to the courts on the basis of detail?

In fact the post Ramsay era has been marked by an increasing propensity to use the smallest inflections in the wording of legislation against taxpayers. For example repayment claims for relatively small amounts of children's income from grandparental covenants have, for some time now, been subjected to minute examination even where the intention is known and clear.

In the new climate in the courts where substance is taking greater precedence over form in any case in which a taxpayer can be said to be taking advantage of a scheme, what is required from the Revenue is equal treatment for taxpayers and less reliance on tripping them up on detail ("symmetry" in current Revenue parlance).

Such a change of attitude would go a long way towards restoring relations with taxpayers and the accountancy profession, which have been sinking fast. It might also be more cost-effective.

D. S. Tallon
1 Serjeants' Inn, EC4

Elections

From Mr N. Mullan.

Sir,—Surely it is high time that U.S. politicians modernised their anachronistic electoral system.

We now have some half-dozen candidates for an election still 21 mootha away. Add to this the fact that the President, once elected, does not take office for 60 days and then spends his last year barred from positive policy making due to electioneering and you have the lynchpin of Western democracy without effective leadership some 25 per cent of the time. Hardly comforting for the rest of us!

N. J. R. Mullan,
13d, Vera Road, SW6.

Dogs

From Councillor P. Coleman

Sir,—In answer to Mr Orlish (March 1) I would suggest the next Budget provides the Chancellor with the opportunity to announce a long overdue increase in the cost of a dog licence—to at least £10. (The blind, pensioners and breeders excepted.)

Perhaps then we might encounter more responsible owners and less stray and ill-treated animals. The extra income would go some way toward financing local dog wardens and clearing up fouled footpaths and amenity areas. To this end licence fees could be collected directly by local councils, rather than via the Post Office as at present.

(Cllr) P. F. Coleman.
31 Cedar Drive, Sutton-at-Hone, Dartford, Kent.

Title

From Messrs F. Wessely and P. Hughes-Holland

Sir,—We wish to respond to the letter (February 19) from Christopher Latham, financial director of James Latham, regarding reservation of title.

The situation is not as straightforward as Mr Latham thinks. The "Romalpa" case is one of the many decisions concerning reservation of title that have been reported over the past seven years and it is clear to receivers and liquidators that each case must be looked at separately as specific circumstances can differ greatly.

There are numerous points to be considered, the main ones being:— The intention of the parties; the validity of the clause; whether the clause has been correctly incorporated into the contract of sale; and can the goods in question be properly identified and can they be cross-referenced to invoices outstanding?

Accordingly, it can be appreciated that processing a claim requires full investigation of all relevant facts and in many cases, the contractual terms of the supplier need to be broken down and scrutinised in their legal elements.

Receivers and liquidators do not "haggle" with suppliers. Although decisions after "Romalpa" have tried, to an extent, to restrict the contents of reservation clauses, the increase in usage has introduced uncertainty, and receivers and *liquidators* are aware that they need to be absolutely sure before accepting or rejecting a claim.

The reservation concept is not new. English law has recognised for approximately two centuries the seller's rights to stipulate conditions regarding the disposal of goods supplied by him.

What is new is the way this concept, fuelled by "Romalpa," has extended into normal business transactions. We feel that unless the use of reservation clauses are regulated in some way, they can only operate to the detriment of other creditors. It may be that their use should be restricted to instances where the trading relationship is one as actually the same as in the "Romalpa" case.

F. Wessely
P. Hughes-Holland.
Windy Ridge,
Hill Top Lane,
Chinnor Hill, Oxon.

From Mr T. Richmond.

Sir,—Mr Christopher Latham (February 19) paints a lurid picture of receivers, acting as hatchet men for banks, dragging down innocent suppliers of insolvent companies by challenging simple retention of title claims. As a receiver in an insolvency practice which undoubtedly questions in each case the right of suppliers to repossess goods claimed under retention of title, may I reply?

Receivers have a duty to protect the assets of the insolvent company and a legal duty to ensure that the assets or proceeds of sale are distributed according to law. It would be inequitable, to say the least, if insolvencies were to become a scramble by creditors to see which assets could be repossessed, regardless of the legality of such action.

If Mr Latham can show to my satisfaction: that there was an agreement between him and the insolvent company that his goods would be supplied under retention of title; that his retention of title clause is legally valid, that is, that it does not fail for want of registration for instance; that he can identify his goods; and that he can relate those goods to specific unpaid invoices, he will not find it necessary to involve either his solicitors or mine. I will give him every assistance in either the return of his goods or payment for the goods as a receivership expense.

Tony Richmond.
Peat, Marwick, Mitchell & Co.,
Airedale House,
Albion Street, Leeds.

CND

From Sandra Middleton

Sir,—Robin Bruce Lockhart (February 26) makes two inaccurate statements about the Campaign for Nuclear Disarmament. These relate to the source of its funds and political control.

As regards the first point, CND is willing to let anyone inspect its books. I suggest Mr Lockhart makes an appointment. He will find that CND gets its money from very ordinary sources: members' subscriptions, leaflet sales, street collections, and so on.

Mr Lockhart believes that CND is a Soviet puppet. That is not so. CND is hostile to all nuclear weapons, no matter what their origin. In a nuclear war, it won't matter to the dead and dying whether they were nuked by Russia or by America. Or by Britain.

In a different letter, R. Simmerson discusses which sort of nuclear missiles will defend Britain better. In reality, possession of any nuclear missiles makes us a target.

Arguably, our defence policy should be based on repelling invaders from our country. That, surely, is the meaning of "defence."

Threatening civilians of another country with genocide is another matter altogether.

Sandra Middleton,
61a Ormiston Grove, W12.

Disappointed

From Mrs D. Anderson

Sir,—I must protest at the patronising, silly and malicious article entitled "The Other Woman in your Husband's Life" (February 26). If this article was meant to be funny it failed lamentably.

The central issue of male/female relationships in the working environment is sufficiently important to warrant a well researched and reasoned article rather than the iniquitous use of one person's prejudices to casually stir up what may be unnecessary fears and suspicions.

I can only reiterate that I am deeply disappointed that a paper of the calibre of the Financial Times should treat its female readership in a style better sulted to the tabloids.

(Mrs) D. Anderson.
12 Kydbrook Close,
Petts Wood, Kent.

From Mrs M. Wolters

Sir,—Does Anne Swain (February 26) understand the difference between an FT-reading woman and an FT reader's woman?

I read the FT every day for business reasons but for pleasure too. I know mothers at home with young children who have it as their daily paper while their husbands take the train with the tabloids.

Why do intelligent women read the FT, despite the best efforts of your TV critic? Probably because it has, up till now, been mercifully free from the kind of bird-brained, patronising, "woman's" article of which Ms Swain's was such a corny example.

If the FT is proposing to alter its benign indifference to women to something more positive, shouldn't it start by addressing itself to those of us who read it every day and not to those who merely borrow their husband's copy on Saturday in return, presumably, for ironing his socks.

(Mrs) Maggie Walters,
Laddingford Croft,
Laddingford,
Nr Maidstone, Kent.

هكذا صار الأجل

In the aftermath of Polly Peck, Ray Maughan looks at the mechanics of stock market speculation

The City herd which suddenly bolted

"LOADS OF people in the East End were punting in Polly Peck shares. My broker has a large client who was going in and out each account and making thousands of pounds every time. I thought I'd follow him."

Mr Lou Sidoli was lightly singed rather than deeply burnt by the experience. From the vantage point of his cafe at the City end of the Commercial Road, he watches the stock market with keen interest. "I don't normally take high-risk positions," Lou says, "but I'd been looking at Polly Peck since I'd first been told about them at £8.

"I bought 2,000 in the account at £31½ and got out at £30½," he says thankfully, "it was too airy-fairy for me, the herd instinct in the other punters was too strong."

It is easy to see why, just two weeks ago, the Polly Peck herd was grazing so contentedly. The shares had thundered up from a handful of coppers apiece to a peak of more than £35 in the last three years and were standing at £33 on Wednesday, February 23.

Celebration spread far beyond the City's hostelries. A few months ago, the normally urbane customers of Patrick Langan's West End restaurant watched with some amazement when a young lady, dressed more scantily than the weather outside might have demanded, stopped at a table of two stockbrokers and their escorts to sing the praises of their dealing skills. "There's no business like showbusiness," was the apt refrain.

Shortly afterwards, somebody with the gall to dress up in public as a gorilla entered to deliver further lyrical greetings to the foursome. Eventually, one of the brokers felt sufficiently at one with the world to toast the entire restaurant. "To Polly Peck," he called.

Mr Asil Nadir and the headquarters of his Polly Peck company in Commercial Road

But, at one point last Tuesday, the shares had slumped to £10. The herd had bolted.

Lou had escaped with a £1,000 loss on his investment, plus dealing expenses, but others were plainly less lucky. Polly Peck's tailspin had also given two other associated companies, Cornell Dresses and Wearwell, *a severe mauling.*

But what was it about the Polly Peck backlash that rebounded so painfully on the shares of London & Liverpool Trust, Bio-Isolates and Arlen Electrical, among several others? After all, Polly Peck had reacted to a sharp reminder that one of its principal areas of operation, the Turkish Federated State of Cyprus, remains an area of political risk until the differences with the Greek Cypriot population of the divided island can be settled.

Yet London & Liverpool distributes video equipment. Bio-Isolates is developing protein from cheese whey and Arlen is working on a new starter device for strip lighting. None has any involvement with Polly Peck or Cyprus.

But in many respects all these companies are part of a piece. Each is working on ideas, skilfully promoted to the investing public, which could lay the foundations of substan*tial profits growth. The market*ability of their shares is narrow and, therefore, the response to any buying interest is usually quite sharp. Repeated tips from the growing number of investment publications and a series of bullish forecasts from various broking firms helped fuel *self-fulfilling* share price performances.

Lou again: "The broker I usually use for traded options told me that London & Liverpool was going to reach £10. I bought 2,000 at 350p but the market got too erratic for me and I got out at 390p in the account."

This type of share had, to put it mildly, become highly speculative. The market defines a speculator as an investor who cannot or will not put down cash at the outset for the shares in which he has invested. (Indeed, his hope is that he will never have to do so.)

The most usual form of speculation is what is known as *dealing in the account.* An account lasts for two, sometimes three, weeks during which time an investor can buy shares without paying for them. It is an entirely commonplace Stock Exchange transaction to buy shares which subsequently rise and to sell them at the end of *the account. The investor takes* a profit but does not have to pay for the original purchase until settlement day. For example, the most recent account closed at 3.30 pm yesterday and settlement day is March 14. With luck and good judgment such an investor can clear a position without even *the need for an initial down-payment.*

One of the principal effects of account dealing is thus to *let the private speculator into* the market. It is a device which is much encouraged, particularly by the jobbers, since it improves their turnover and makes the market much more flexible. Otherwise it is dominated by institutional investors who are, as often as not, dealing one way.

As one leading jobber remarked last week: "We need the spivs who are willing to *take an opposite view of the* market." But that is not the end of the story. There is a way round the requirement that positions should be closed at the end of each account, known as the "cash and new" facility and here the Stock Exchange's view becomes more ambiguous.

Clients of the 40 or 50 brokers which offer this facility can arrange for jobbers to finance their positions. For an additional commission (usually 1p in the £ per account) a jobber will buy the client's position at the end of an account and will continue the position into the next account, or two-week dealing period. Most jobbers will not extend cash and new business beyond two accounts, but they concede that even this is encouraging speculation.

The rules can be bent a little, provided the client's collateral is sufficient. One jobber remembers with amusement a millionaire who pursued one oil stock in cash and new positions through account after account. "It cost him £45,000," the jobber says with satisfaction.

But he stresses that cash and new "can be very hairy" because it provides extra time and credit for people who may

AN ACCOUNT TO REMEMBER

	Start of account Feb. 21	Lows	Thursday's close March 3
Arlen	375	265	323
James Wilkes	430	280	300
London and Liverpool	530	380	435
Polly Peck	£ 32½	£ 10	£ 15½
Wearwell	107	50	62
Cornell Dresses	238	115	138
Fobel	146	130	135
G M Firth	233	180	193
Bio-Isolates	420	295	320
Mellins	244	143	197

not have the assets to back what they are doing. Many *brokers consistently refuse to* consider such facilities. As a rule of thumb, the firms which put their name to major offers for sale and de-nationalisation issues remain resolutely aloof from cash and new speculation.

No identikit picture of the Stock Exchange speculator exists. But it is a reasonable bet that he works in or near the City, even if, in many cases, he is not employed by the stockbroking sector itself. It may surprise those who live outside the Home Counties that the life style of young foreign exchange dealers, commodity brokers and insurance brokers in London can be very good indeed. Annual salaries can reach £25,000 in a short while for those who succeed. Almost by definition, those who do make it will have dealing in their blood, be it for cash wire-bars, three-month dollars, Treasury stock, or Polly Peck.

It is beginning to look as if cash and new dealing in Polly Peck had indeed become very *"hairy" before the sharp fall.* The market will probably never know for certain the size of the positions which had accumulated but gossip in the City's luncheon rooms last week suggests that perhaps *£6m* was riding cash and new on the textiles and citrus fruit packing *company. One jobber calculates* that his aggregate cash and new facility in Polly Peck and London & Liverpool was about £2m.

The jobbers say that the market in Polly Peck's 7.3m ordinary shares was 2,000 share parcels: in other words the price would have reacted to any larger deal to a two-point spread. This means, for example, that the jobber would buy at £30 and sell at £32 to create a "middle" price of £31.

The exceptional interest in Polly Peck shares suggested that the price was poised to move up dramatically again. However, veiled warnings from the Greek Cypriot authorities, and some confusion as to the group's tax position on the island, meant that Polly Peck cascaded downwards. To cover themselves, heavily borrowed speculators had to sell other shares: Bio-Isolates, London & Liverpool, Arlen and the like were the victims.

Worse, the Stock Exchange *suspended Polly Peck while the* company prepared a general statement on its tax exemption in Cyprus. The consequences of a prolonged dealing freeze would have been dire since the punters could not have realised the Polly Peck securities underpinning their cash and new positions.

*To widespread relief, the sus*pension lasted just 24 hours and overall losses can probably be absorbed. But the market will not be able to count the aggregate cost until the next settlement day on March 14. It could have been so very different. As one senior Stock Exchange Council member said: "We were scared stiff initially.

"We have to ask ourselves," he added, "whether cash and new is good investment business." The answer seems to be that it is acceptable, with the important proviso that the business should be very strictly supervised by the Stock Exchange's own Firms' Accounts committee.

Many speculators have got extra cash as the result of the success of many recent new issues. Satisfied applicants for the likes of Cable & Wireless, Amersham International, Associated British Ports and Superdrug will have made very good profits. The appetites of new investors have been whetted by the substantial premiums achieved on the first day of trading.

Speculation can also be fuelled by bank borrowing. It is difficult to assess the scale of such lending but one clearing banker said last week that "if you are a man of substance and want to borrow from me, I would require you to show £150,000 of securities before I would lend you £100,000." On the other hand, one leading broker said: "I'm constantly surprised at how generous banks are to people to whom I wouldn't lend a penny."

One jobber may have caught the City's mood last week when he concluded: "90 per cent of those people who lost money in Polly Peck last week either could afford to or deserved to *[illegible]*"

Weekend Brief

The Welsh colliers at the root of the miners' dispute

"LOOK, I'VE worked in pits all over South Wales, and in NCB and Thyssen tunnelling teams, and conditions in Tymawr-Lewis Merthyr are no different.

"We've worked in the same conditions for 20-30 years. If they gave us the right type of machinery — particularly the right power supports, we could cut enough coal to show a profit at the pit."

The speaker is one of the men at Tymawr-Lewis Merthyr, the Rhondda colliery at the centre of the threatened national miners' strike over pit closures. They do not accept the verdict of the National Coal Board that their pit is finished.

A gathering of miners at the British Legion club, just across the road from the colliery winding gear, remains adamant that there is at least another 10 years — perhaps 20 years — of reserves left and that the pit's difficulties are the result of inadequate equipment.

The same was said of two other Welsh collieries which were also the focus of threatened industrial action in recent years — Deep Duffryn in the Cynon Valley and Coegnant, near Maesteg. In both these cases the men eventually gave up the battle against adverse mining conditions, within months of forcing a reprieve.

But the Tymawr-Lewis Merthyr men don't see things in the same light. "This pit is still producing the finest coking coal in South Wales. Part of the reason for the losses (£4m at present but forecast to rise to £7m) is that five years ago we received £57 a ton for the coal but today it is only £35.40 a ton. Instead of going to steel works it is now being used in power stations and as house coal."

The 110-year-old colliery was once a whole complex of workings, with shafts, employing 3,000. A. J. Cook, the legendary miners' leader in the 1926 General Strike, began his working life there. Over the past few years, it has been reduced to just two faces employing 539 men. The Coal Board's condemnation is twofold. "The roof above the coal face is so brittle *that it breaks up as soon as the* coal-cutting machine passes, leaving cavities two to three feet high, and about the same width, above the roof supports. Miners have to construct a timber framework above the supports to prevent further falls of loose stone.

"Also, because the seam is affected by old workings above and below, not only *is* the roof brittle, but the floor is also soft, so that heavy power loading machinery gets bogged down and the coal cut is polluted by soft mudstone because the cutting machine churns up the floor as it is cutting coal."

The net result, the Board says is that in the last two months the coal face has advanced eight inches per shift and produced an average 25 tons *output—compared* with the UK average of nearly two metres advance and 360 tons a shift.

"For the last eight months, we have been trying to squeeze the last atom of toothpaste out of the tube from this pit and, technically, there is nothing more we can do," *Philip* Weeks, the NCB's Welsh director says.

Colliery manager Bill Nicholas *says:* "Nothing has been spared in attempts to get the thing to work, but it's a nightmare." But the miners themselves disagree.

Trouble over a Thames bridge toll

The owners of the cheapest toll bridge in Britain, which has been a tax-free haven since the days of George III, want to increase their charges to motorists by 500 per cent — from 2p per vehicle to 10p.

But the move by Michael and Stella Cox, toll-keepers of Swinford Bridge at Eynsham in Oxfordshire, has raised a storm of protest from local residents and now a public inquiry has been held this week.

Mr Cox admits that audited figures show an average of 34,000 vehicles crossing the bridge every week, but claims that in the last year he made a trading loss of £337.

"We have had a complete survey of the bridge by professional stone-masons and they have estimated that repairs will cost £350,000," he says. "Our proposed increase would only just fund outside loans to cover that. The more years it is left the more expensive it is going *to get. There have been no* repairs to the bridge since it was built in 1767, and we want to ensure it remains safe."

The old toll was fixed at "a penny a wheel," and the original Act of Parliament forbids any increase without the provision of an enabling Statute, which could be resisted by both the public and the local authority. Already 361 letters of protest have been forwarded to the Secretary of State for the Environment.

"The lounge-bar brigade think we are coining it in, but it just isn't so," says Mr Cox. "One woman has written seven letters of complaint, yet she doesn't even own a car and pedestrians are free."

Other free traffic includes police, doctors, nurses, milk-floats and, since the Falklands War, all serving members of the Parachute Regiment and airborne forces. Pressure pads inserted into the road give an accurate record of the traffic, although some independent spirits do drive past the toll-keeper's outstretched hand.

"It can be very awkward asking a motor-cyclist to unzip his leathers and produce just 1p," points out Mr Cox, who has been offered a variety of unusual items in lieu of payment, ranging from a daily paper to a more profitable side of smoked salmon. He is also empowered *to impound any vehicle for non-*payment of toll, and sell it within four days to defray costs, although he has so far not pursued any defaulters.

Michael and Stella Cox at the Toll Bridge, Swinford, Oxon.

Apart from occasionally filling-in for his two permanent staff, who keep the toll bridge in operation until 10.15 pm every night, Mr Cox admits that his main occupation is counting the money. "Do you know that £20 of 2p pieces *weighs a stone?"* he *inquires.* "We have to go to the bank every day, and it is another reason for keeping our two alsatians on the premises, though I doubt if the underworld would think we were worth hijacking for copper."

Mr Cox, a former golf club manager and previous full-time soldier, refuses to reveal how much he paid for the bridge and its accompanying three-*bedroomed cottage and 11-acre* grazing plot. He only admits that he got "a bargain." Speculated figures range from £250,000 to £750,000.

Arthur Koestler and 200 'Charlie Chaplins'

"I got here in 1940," once said Arthur Koestler who died earlier this week aged 77, "and very soon I did not feel an expatriate. I think of myself as a European of Hungarian birth and Austro-French formation; and a naturalised British subject."

Koestler's continental breadth of outlook, grounded in experience as a political prisoner in Spanish and French prisons, came as a rejuvenating shock to the insularity of the London literary world at that time. He was not however completely through with prison. On his arrival here he had to suffer six weeks in solitary confinement in Pentonville before eventually enlisting in the Aliens' section of the Pioneer Corps.

Koestler did his initial training on the sands at Ilfracombe in a unit composed entirely of fellow emigrées. "We were," he said wryly, "a parade of 200 Charlie Chaplins."

It was when he was on leave in 1942 that he met Cyril Connolly, editor of the prestigious cultural monthly, *Horizon.* The story of how Koestler became integrated with British literary life through his friendship with Connolly, quick to spot his genius, will become plain in a book to be published later this year, David Pryce-Jones's *Cyril Connolly; Journal and Memoir.*

"I could have been an isolated emigré if Cyril hadn't taken me under his wing in 1942," Koestler told Pryce-Jones, and he went on to add: "I could almost say I was naturalised by Cyril, not by the Home Office." It was not merely that Connolly wined him and dined him at the White Tower restaurant in Percy Street where he threw parties for war-correspondent Ernest Hemingway; he also published him in *Horizon,* starting with Koestler's essay "The Yogi and the Commissar."

The essay established Koestler as a name to be reckoned with.

He wrote his first novel in English, *The Scum of the Earth,* based on his time as a prisoner in wartime France before he escaped disguised as a *member of the Foreign* Legion, at the beginning of 1941. Jonathan Cape, his publisher, persuaded the authorities to defer his call-up until he had completed it.

Apart from his novels, of which *Darkness at Noon* is the greatest, Koestler had a distinguished career as a campaigning journalist and essayist. His last purely journalistic assignment came in 1972 when a Sunday paper sent him to Reykjavik to cover the world championship chess match between Spassky and Fischer. Koestler described himself in his report on the games as a "Passionate Duffer" at chess, but people who were there *confirm that he possessed a* most complete knowledge of the game. In his youth he had been a keen player in the Cafe Central in Vienna.

After the war he became a zealous campaigner for the Abolition of Capital Punishment and, mindful of his own prison experience, he founded the Koestler Awards to encourage convicts to spend their leisure in creative and literary work. These awards will now continue after his death.

His most recent campaign was one to make voluntary euthanasia socially and legally acceptable. He was a sufferer from Parkinson's disease and leukaemia and it was in the light of his belief in *self-deliverance* that he and his wife Cynthia might have met their deaths. Unlike many eminent propa*gandists, Koestler practised* what he preached.

Contributors:
Robin Reeves
Judith Stares
Anthony Curtis

Economic Diary

TOMORROW: West German general election. Australian general election. First round of French municipal elections.

MONDAY: Department of Trade publishes final retail sales figures and credit business in January. Department of Industry gives provisional wholesale price index *numbers for February. European* Parliament in session in Strasbourg (until March 11). European Communities / Yugoslavia business week in Belgrade. Central bankers meet in Basle.

TUESDAY: London clearing banks' monthly statement (mid-February). Bank of England gives provisional estimates of monetary aggregates (mid-February). FT conference on "Euromarkets in 1983" at Inter Continental Hotel, W1 (until March 9). EEC agriculture *council meeting in* Brussels (until March 9). Formal bid for Cope Allman from British Car Auctions expected. Miners to ballot on strike against pit closures. Commons debates Energy Bill. Daily Mail Ideal Home exhibition opens at Earls Court (until April 4).

WEDNESDAY: Treasury issues figures for Central Government transactions (including borrowing requirement) for February. Central Statistical Office publishes United Kingdom balance *of payments for the fourth* quarter. Mr Norman Tebbit, Employment Secretary, attends Institute of Marketing conference at Hilton Hotel, W1. Commons debates motion on the White Paper on the Government's expenditure plans, 1983-84 to 1985-86. TUC economic committee meets. *Shell Oil* preliminary figures.

THURSDAY: Provisional figures of vehicle production in February from the Department of Industry. EEC research council meeting in Brussels. NUM executive council meeting. Banks pay talks. TUC steel committee *meets. International Motor Show* opens in Geneva (until March 20).

FRIDAY: Building Societies monthly figures for February. Usable steel production in February. Scottish conference of Labour Party in Perth (until March 13).

Poor second half drags Ault & Wiborg into loss

A SETBACK has been experienced by Ault and Wiborg Group in the second half, with the result that an overall loss of £98,000 is reported for the year 1982, against a profit of £120,000 in the previous 12 months.

The dividend is being maintained at 1.25p net per share, with a final of 0.5p. At the halfway mark the group had made a strong recovery, turning in a profit of £731,000 compared to a loss of £565,000 in the corresponding period, and the directors said that this improvement should continue.

They now tell shareholders that the second half was affected by a downturn in trading, the inclusion of the Italian subsidiaries for the first time which involves a loss of £280,000, and a special provision of £130,000 against foreign debts.

Provision has been made in the accounts for the estimated costs arising from the impending closure of two factories in Glasgow and Birmingham.

The paints division continued to perform well and there has been a small improvement in profitability in the printing ink side and in the environmental engineering division. Chemicals were depressed because of a slowing of orders from some major customers.

The year's turnover rose by £5.6m to £60.43m, from which a maintained trading profit of £2.03m (£2.01m) was attained. The pre-tax profit was struck after redundancy and closure costs £601,000 (£512,000) and interest charges of £1.53m (£1.38m).

● comment

Overseas losses, higher closure costs and fierce continental competition conspired to force Ault and Wiborg into the red after a first half which showed every sign of recovery. The hardest hit was the inks division, which also suffered from a decline in magazine advertising at the very time it was expecting a seasonal increase. The chairman dismisses that as a temporary setback and reports fuller order books for the first quarter of 1983, justifying a dividend maintained at 1.25p. The recent Italian acquisition, designed to spearhead a drive into the European car finishing paint market, recorded a pre-tax loss of £280,000, while borrowing rose to 70 per cent of shareholders' funds. The shares sagged 3p yesterday to 30p, well under half net asset value and yielding 4.3 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Ault & Wiborg	0.5	May 20	0.75	1.25	1.25
Beradin Holdings ... int.	0.3	—	—	—	—
Cont. Microwave ... int.‡	2	April 29	—	—	1.75
Courtney Pope ...... int.	1.6	May 17	1.2	—	3.6
Guernsey Atlantic	2	—	1	2	1
IoM Enterprises	4¶	—	4	4	4
Riverview Rubber	5§	April 18	5	—	18
Scottish Ontario Inv. 2nd int.	2.3	March 31	2.15	3.3	3.15

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Malaysian sen. ¶ Gross.

Continental Microwave expansion to continue

FOR THE current year to June 30 1983 the profits of Continental Microwave (Holdings) are expected to show a "very satisfactory increase" over the £331,000 pre-tax achieved in the previous year. And there are excellent prospects for continued growth, the directors state.

In line with budget, profit for the first six months was lower, amounting to £41,937 against £141,664. This comprised £29,345 on the sale and leaseback of the new factory and trading surplus of £12,592 (£141,664) arising from sales of £1.04m (£1.26m). This situation has arisen because of the delivery schedule of certain orders which will not be completed until the second half of the year. Deliveries for that period, therefore, will be at record levels.

While the timing of orders and subsequent completion of deliveries is difficult to predict, it is expected that future profits will show a more even distribution between the two halves.

The order books is still at the high level of £6.16m and with increased interest in the whole range of products and the company's expertise, there are excellent prospects for continued growth.

Defence sector communications' requirements remain buoyant and the various television companies are continuing their re-equipment programmes. The company has also developed a new series of fixed point-to-point microwave links to complement the mobile systems in production which have already generated substantial orders.

The directors are instigating interim dividends and have declared a payment of 2p. This already exceeds the 1.75p single payment for 1981-82. The company's shares are dealt on the USM.

● comment

With electricals currently short on glamour this is not the moment for a market newcomer to have to report a severe profits setback, no matter what the reason. Nor is it the time to make a sale and leaseback if it is not to be seen as a means of bolstering profits to cover dividend rather than an astute cash injection. Continental Microwave had warned of a major shift of sales and profits into the second half because of the pattern of ordering. But a weakened first half revenue had to carry overheads increased by a move to premises treble the size of the previous site. Order intake at £1.4m exceeded the depressed sales level but was not perhaps as sparkling as might have been expected. Total order-book is healthy and market opportunities are promising, however, so it should be possible to put the upset down to experience. Even so full year growth is unlikely to be anything more than pedestrian. Yesterday shares slipped 5p to 725p, compared with last year's placing at 260p, leaving the p/e in the clouds.

Sceptre gives ground in dispute with Candecca

BY CHARLES BATCHELOR

Sceptre Resources, the Canadian group with a 41 per cent stake in Candecca Resources, has given way to British pressure for a fairer distribution of control of the UK onshore oil exploration company.

Two Candecca directors associated with Sceptre have left the board while the chairman, also linked with Sceptre, has resigned but will remain a director.

Sceptre has also agreed to the restructuring of the board so that it in future consists of four British directors, four associated with Sceptre and two independent directors, one of whom will become chairman.

In return the British shareholders and directors have agreed to adjourn indefinitely an extraordinary meeting called for March 15 to consider boardroom changes.

The upheavals at Candecca began in December when Sceptre which had previously said it would sell its 39 per cent holding, increased its stake and replaced Mr David Hooker, the British managing director, with its own nominee, Mr Peter Carter.

Mr Hooker had generally been credited with the expansion of the Candecca group to a position where it had access to extensive UK onshore acreage. Mr Carter is a former British Petroleum exploration expert who had been in charge of Candecca's international business.

Despite the agreement reached between the two sides a statement released last night made no mention of Mr Carter's position or of any new position for Mr Hooker.

Both sides have agreed to the speedy appointment of a new board representing British and Sceptre's interests equally.

As an interim step Mr Angus Mackenzie, a Canadian, and Mr Thatcher Townsend, Jr of the U.S.—both Sceptre associates—have resigned from the board and Mr Stuart McColl, also associated with Sceptre, has resigned as chairman while remaining a director.

Sceptre has agreed to continue to fund the working capital requirements of Candecca until June 30, 1983 and has confirmed it is ready to support the Candecca board to find a way of continuing financing on a more permanent footing.

Sceptre also confirmed it has no present intention of disposing of its shareholding in Candecca.

Kwik-Fit sees £2.75m profits

BY RAY MAUGHAN

THE FORMAL offer documents from Kwik-Fit (Tyres & Exhausts) Holdings supporting its £5.2m equity offer for Crest International Securities provide an estimate of pre-tax profits from Kwik-Fit of not less than £2.75m in the year which ended last month. That compares with £1.56m in the previous year and a peak of £4.06m in the 12 months before that.

Explaining the rationale of the bid to acquire the property group, with which Kwik-Fit's board have close links, Kwik-Fit says that the key to its growth lies in the acquisition of new, top quality sites.

These new sites, the auto parts replacement group stresses, "must be located in prime locations, either individually or by means of a major group transaction. The proposed offer for Crest, with its property expertise, will enable Kwik-Fit's growth to be accelerated. In this connection it should be noted that Crest owns 33 automotive service centres which are let to a third party (Automotive Products) of which a number could ultimately have potential for use by Kwik-Fit."

Writing to Crest shareholders, the independent board member, Mr J. R. Padget, explains that "the proposed merger will remove any possibility of conflicts of interests which could arise in future as a result of the board and shareholding links."

"The merged property activity," Mr Padget adds, "will be directed at supporting Kwik-Fit's growth and not property development unrelated to the expansion of the Kwik-Fit retail network. This activity will be responsible both for acquiring new sites and managing existing sites with a view to maximising returns."

Kwik-Fit currently operates from 229 retail tyre and exhaust centres, three "Stop 'n Steer" specialist brake and steering part replacement centres and one AAMCO gearbox and clutch repair centre. The group expects to expand the Stop 'n Steer and AAMCO operations substantially and plans to integrate each trading activity on to one site in future albeit with a clearly defined separation of management and function.

If the offer of three Kwik-Fit shares for every 10 Crest shares is accepted in full, net assets would rise by 2p to 32p and on the basis of Crest's profits for 1982 and on Kwik-Fit's own profits estimate, there would be no dilution of earnings for Kwik-Fit shareholders. Crest shareholders would be interested in 17.4 per cent of the enlarged share capital.

An extraordinary meeting of Kwik-Fit shareholders will be held on March 22 to consider a resolution proposed in favour of the acquisition and by that point the company expects to have held meetings with representatives of institutions, holding about a fifth of the Kwik-Fit equity, which have initially indicated that they will not support the deal.

Their principal opposition, as far as the terms are concerned, is that Kwik-Fit is proposing to pay a premium, rather than a discount, for assets which Crest showed at £4.45m at the end of December. It is understood, however, that Crest is preparing deals in its Lewisham and Camden developments which, over the medium term, should indicate a substantial uplift in net asset values.

CI selling quarter of holding in Interface

Carpets International, the struggling manufacturer of Kosset, Crossley and Gilt Edge carpets, is to dispose of part of its holding in Interface Flooring Systems of the U.S. for about $9m (£6m).

CI will contribute a quarter of its 40 per cent holding in Interface towards an offering by the U.S. group of its shares for trading on the U.S. over-the-counter market. Interface, which is based in Georgia, is at present a private company with no public listing of its shares.

Interface expects its shares to be priced at between $14-$16, according to a registration document containing a preliminary prospectus which has been filed with the Securities and Exchange Commission in Washington.

CI's shares would therefore have a value, before the deduction of issue costs, of between $8.4m and $9.6m.

The company plans to use the money to reduce its borrowings and to finance capital projects which have been delayed, said Mr Bill Trow, executive vice-chairman.

Other American shareholders will also offer shares as part of the offering while Interface will also raise new equity, increasing its capital base by 20 per cent.

CI is currently restructuring its international operations with the result that Interface will be transformed from an affiliate to the controlling shareholder in CI over the next five years.

The company is making a £2.5m convertible loan to Interface which on conversion would give the U.S. group 40 per cent of CI while a further option would allow Interface to increase its holding to 50.1 per cent.

CI's shares rose 1½p to 15½p.

Bassishaw extends bid for UDS

Bassishaw Investments has extended its £217m cash offer for UDS Group by 14 days to March 17. The bid reached its first closing day yesterday and, labouring under the weight of a higher proposed bid for UDS from Hanson Trust, acceptances have so far been slight.

Holders of 2,390,793 UDS shares have accepted Bassishaw's 114p per share offer, or 1.25 per cent of the capital. This total includes 1,136,750 shares subject to the irrevocable undertakings from members of the investment consortium which formed Bassishaw.

Two extraordinary meetings convened to consider earlier proposals for Burton Group to acquire for £78m UDS's John Collier and Richard Shops chains were, as forecast, adjourned yesterday.

The Burton meeting, held because the Top Shop group chain had initially considered offering its shares as full or part consideration for the deal, was adjourned sine die. The articles of association of UDS require that a new meeting must be fixed at the time of adjournment and, accordingly, a new meeting has been set for May 26.

Hanson has been examining the terms of Burton's proposed purchase and it is understood that both sides believe that the deal is still likely to go ahead on much the same terms as set out initially although it is probable that Burton will pay entirely in cash and drop the equity option.

Hanson, which has been buying UDS shares regularly to lift its holding to almost 7 per cent, is expected to despatch its formal offer early next week. Its terms indicate a price of just over 121p per UDS share, against a market price of 119p, down 1p last night, taking Hanson at 184p.

Lister back in the red at halfway

Textile maker Lister & Co has moved back into the red with a loss of £319,000 for the half-year ended September 25 1982. The third quarter was profitable but trading conditions remain difficult, the directors report.

The half-year's loss compares with a profit of £9,000 for the corresponding period of the previous year, which had increased to £100,000 by the end of the year. In 1980-81 the group incurred a loss of £629,000.

Turnover for the half-year came to £15.95m (£15.16m) from which was derived a trading profit of £536,000 against £829,000. Loss per share was 2.05p (0.06p).

The group makes curtain velvets, cushions, woollen and worsteds, and synthetic and texturised yarns.

	First half 1982 £000	1981 £000
Turnover	15,949	15,161
Trading profit	533	839
Associates	21	7
Interest paid	876	877
Loss before tax	319	*9
Taxation	8	6
Extraord credit	167	141
Minorities	3	3

* Profit. † Debit.

First Scottish

The First Scottish American Trust has increased its short term multi-currency borrowings from the Bank of Montreal to a total of US$15m by drawing down a further US$3.5m.

Phoenix Props. hit by associate's loss

REFLECTING a loss of £108,802, against £3,093, from its 50 per cent owned associate, Kane Investments, property investment and investment dealing concern, Phoenix Properties and Finance incurred an increased pre-tax deficit of £65,422 for the year to September 30 1982, compared with £4,497 previously.

Rental income rose in the year from £133,818 to £159,278 and before taking account of the associate's loss, the company made a pre-tax profit of £43,380, against a £1,404 loss.

The results were, however, adversely affected both by writing off the remaining assets of the Worldwide Group of Companies, the business of which was sold in April 1981, and by a reduction in the value of the company's investment portfolio.

There was ta tax charge for the year of £32,000 (£70) leaving a net deficit of £97,422, compared with £4,567. Loss per 25p share was up from 0.1p to 1.5p and there is again no dividend.

Net interest costs of £919 (£8,674) for the period represent interest payable by Phoenix, less interest receivable from Kane.

Referring to the associated company, the directors say that during the year Kane undertook considerable expenditure on certain property developments.

Although it did not realise the potential benefit from these developments during the period under review, it has been decided, in accordance with Phoenix's normal accounting policy, to write off all general overhead expenses incurred by Kane.

As mentioned in the interim statement, Kane's prospective developments at Swindon and Catwick are of particular importance.

Since the company's year-end, contracts have been exchanged for the conditional sale to the Prudential Assurance Company of half the office development site at Swindon, on which planning permission for a total of 108,000 sq ft has been granted. At Gatwick an appeal for a mixed development of over 1m sq ft is scheduled to be heard in mid-1983.

	1981-82 £	1980-81 £
Turnover	354,332	1,664,322
Finance & invest.	354,332	1,083,556
Personnel services	—	580,786
Operating profit	122,265	62,016
Rental income	159,278	133,818
F'nce & invest. loss	17,683	32,410
Personnel serv loss	19,331	39,392
Interest payable	919	8,674
Head Office expenses	77,986	54,746
Making profit	43,380	†1,404
Share of Assoc's loss	108,802	3,093
Loss before tax	65,422	4,497
Tax charge	32,000	70
Net loss	97,422	4,567

† Loss.

Bell & Sime agrees to 160p bid

TERMS HAVE been agreed under which John Fleming and Company (Holdings), a private Aberdeen-based undertaking, will make offers for the outstanding ordinary and preference shares of Bell & Sime, whose home is in Dundee and carries on business as timber importer and sawmiller.

Fleming owns 29.9 per cent of the Bell ordinary and is offering 160p cash per share for the balance, valuing the whole of the equity at £640,000. For the preference the offer is 45p cash. In the market the Bell ordinary rose 38p to 168p.

The offer is extended to the ordinary shares to be issued by Bell in consequence of a proposed increase and reorganisation of its ordinary capital. The directors, advised by Robert Fleming, recommend the offers to shareholders. They and certain other shareholders owning a further 23.35 per cent of the ordinary intend to accept.

Fleming's main activity is the importing and distribution of timber and other building materials in north-east and central Scotland, and the manufacture of timber-framed house kits. In the year ended March 31, 1982 its turnover was some £21m and its profit before tax £980,000. Net tangible assets were around £6.6m.

No change in the nature of Bell's operations is envisaged. Employees' rights will be fully safeguarded and no redundancies are foreseen. Mr Roger and Mr Mark Fleming will join the board of Bell.

Noble Crossart is acting for Fleming and is satisfied that there are sufficient resources to satisfy acceptances of the offers in full.

Arden and Cobden stake bought

SIR CYRIL BLACK, a former Tory MP and a leading light in the temperance movement, has as a representative of various trusts and charities bought an 8.9 per cent stake in Arden and Cobden Hotels, thought to be the only remaining publicly quoted unlicensed hotel group in the UK.

Sir Cyril was, until early last year, chairman of M. F. North, the London hotels group. He resigned following a board decision to abandon North's temperance policy after 70 years.

"Up to the change in policy at M. F. North, the two hotel groups were the only quoted unlicensed hotel companies in the country," Sir Cyril, who is almost 81, said yesterday.

He noted that the hotel groups had maintained close links, with respective managing directors sitting on the other's board. Arden and Cobden consists of two hotels, both in Birmingham.

The 8.9 per cent stake nominally bought by Sir Cyril represents the holding that M. F. North used to hold in Arden and Cobden. Mr David Barclay and his brother Frederick, who bought M. F. North in July last year, did not want the shares, Sir Cyril said, and "we were quite pleased to buy them."

"The fact that Arden and Cobden is an unlicensed hotel group is an added attraction, but we bought the shares on the basis of a business judgment rather than to promote the cause of temperance," Sir Cyril said.

After a difficult year in 1981—with pre-tax profits down to £35,433 from £164,000 in 1980—profits perked up last year at Arden and Cobden. With turnover up by £35,000 to £1.27m, profits for the calendar year rallied to £77,500.

New twist in battle for Canal

BY DAVID DODWELL

THE U.S. Securities and Exchange Commission (SEC) struck a blow this week against Mr Asher Edelman, a U.S. arbitrager, in his bid to wrest control of Canal Randolph Corporation, the U.S. property company headed by Sir Walter Salomon, chairman of Rea Brothers, the London merchant bank.

As part of his assault on the company, Mr Edelman filed suits against Sir Walter, Rea Brothers and an associated investment trust alleging infringement of SEC rules.

The SEC, completing an investigation into the allegations this week, filed complaints against Rea Brothers upholding Mr Edelman's claims. However, the SEC also filed a complaint against Mr Edelman for a similar infringement.

Neither Rea Brothers nor Mr Edelman will have to plead guilty or not guilty to the complaint. They must nevertheless make commitments not to make similar infringements again.

The complaint against Mr Edelman is critical since the Delaware courts will bear suits filed by Mr Edelman next Friday against Sir Walter and Rea Brothers in connection with the SEC allegations.

He had hoped that the Delaware court would find against Sir Walter and disenfranchise him and "beneficially linked" shareholders who account for about 28 per cent of Canal Randolph shares in the proxy fight for control of the company due to take place at its annual meeting on March 18.

Now that the SEC has also filed a complaint against Mr Edelman, the likelihood of any judge agreeing a disenfranchisement is greatly reduced.

Since April last year, Mr Edelman has built up a stake of slightly more than 20 per cent in Canal Randolph. He found by November that further purchases were effectively blocked by Sir Walter and linked shareholdings. Shortly afterwards, he announced plans to mount a proxy fight for the company, and in January filed suits in the Delaware court alleging SEC infringements.

ABERTHAW CEMENT

Further to the announcement on February 28 that offers made for Aberthaw Cement on behalf of Blue Circle Industries had been declared unconditional in all respects, the special interim dividend of 7p per ordinary share will be paid on March 14, 1983.

Dunton heads group bidding for J F Donald

Dunton Group, the property development, engineering and brick-making group, will head a consortium which will make a £1.89m cash offer for James F. Donald (Aberdeen Cinemas) (JFD).

JFD is a private company incorporated in Scotland engaged in leisure activities and with a substantial property interest in Scotland.

It made after-tax profits of £37,767 on turnover of £695,849 in the year ended March 31 1982. Its property interests were professionally valued at £1.88m in January 1982.

new company which will be 51 per cent owned by Dunton. The remaining shares will be held by Mr M. R. B. Thomas and Mr A. G. Saxby, each with 20 per cent; by Mr H. F. Armstrong, with 5 per cent; and by J. G. Walker, with 4 per cent.

They all have business experience in either the financial or property fields, Dunton said.

The purchase price will be financed by the share capital of the new company, a bank loan facility of £1.625m and the balance from JFD's cash resources.

The loan will be repayed as to £630,000 upon the cash offer becoming unconditional. The loan will be primarily secured by fixed and floating charges over the property and by a guarantee from JFD.

It will be further secured by guarantees from the consortium members.

PHOTO-ME

Following its recent acquisition of Thorn EMI's UK plastic card plant at Windsor, Photo-Me International has formed a subsidiary, PMI Data, to manufacture and market the plastic card products and associated systems.

Results due next week

UNCERTAINTY SURROUNDS the size of the bad debt provisions being made by the two clearing banks reporting their 1982 figures next week. But there is no doubt the provisions will be substantially higher than in 1981. Barclays reports on Monday and Midland on Thursday.

Barclays International has lost a lot of money in North America and its total bad debt provisions are expected to be between £250m and £350m. In domestic retail banking, the deposit margin appears to have declined in the second half of the year. But falling interest rates have meant higher margins on advances.

Analysts are forecasting overall pre-tax profits for the group of £450m, down from last year's figure of £567m, but probably not by enough to stop the bank standing by its commitment to raise dividends by 20 per cent.

The Midland bank, with its heavy reliance on industry in the West Midlands and its small market share in the South, faces a greater squeeze on its profits than its competitors. And its bad debt provisions are expected to be less conservative, between £165m and £190m.

The profits of the Clydesdale and Northern Bank groups are likely to have fallen sharply but the figures from the international side should be more encouraging. Pre-tax profits are forecast to be between £180m and £200m, compared with £232m last year.

There is also pressure on the bank to raise its dividends by 20 per cent, in particular to give an incentive to the holders of its convertible loan stock to go into the equity.

Haggling between Opec ministers and a jittery oil market may induce a cautious approach to the dividend at Shell when the final quarter results come out on Thursday. Analysts forecast a slight increase in the net dividend to 22p—rather less than might be justified by currency gains from the weakness of sterling against the guilder and dollar.

Net income for 1982 is forecast to show a small decline to about £1.7bn, compared with £2bn in 1981. Heavy stock losses led to a poor third quarter, but these should have moderated in the final three months.

Shell owes its comparative strength to its downstream interests, the strength of its U.S. subsidiary and the fact that around 40 per cent of its upstream earnings come from gas, most of which is sold on long-term contracts.

Lasmo, on the other hand, stands to lose more from declining oil prices because it has no downstream interests. The company also announces its final figures on Thursday, with net income forecast to rise between £40m and £48m, the higher estimate based on the inclusion of three months' production from the recently acquired Beatrice field and Indonesian operations.

Analysts expect the net dividend to be raised 1p to 11p. With net debt estimated at £257m, the stock market will be as interested in the cash flow figures as the profits.

Ultramar publishes its final quarter results on the same day. In its recent rights issue—the second largest ever made by a UK oil company—it predicted a more than 10 per cent increase in pre-tax profits to not less than £100m for 1982.

Cadbury Schweppes continued to experience some difficulty in its home markets, but better than expected results (after sterling translation) from the 66 per cent-owned South African subsidiary and generally good financial news from the Australian subsidiary have gone some way to countering any problems in the UK markets.

In addition, volume figures in confectionary are up and the beverages division will have benefited from two increases in the price of tea.

Stock market analysts expect pre-tax profits to be around 12 per cent up on those of the previous year at slightly more than £90m (£80.6m) when the results are announced on Thursday. This forecast gives earnings per share of 8.8p and a 10 per cent increase in the dividend seems possible on this basis.

Expectations of poor interim results from Consolidated Goldfields are now widespread. Base metal interests, held through Goldfields of South Africa, are unlikely to have picked up since the year-end due to the softness of metals markets during most of the six-month period to December 31. And the run on the gold price towards the end of the period will have done little to boost overall profits.

Outside analysts are predicting a virtual halving in pre-tax profits to roughly £35m, compared with £67.5m for the corresponding period of the previous year. This would translate to earnings per share of around 13p—well below the previous year's interim earnings of 21.5p.

Even so, the dividend, though thinly covered on these estimates, seems likely to be maintained at 8.5p. Maintenance of the dividend could, however, result in an increase in borrowings.

The timing of the interim profit announcement on Wednesday has prompted speculation that a rights issue will be announced. But the company has given no indication that this will materialise and outside commentators are sceptical.

Diversified industrial and agricultural group J. Bibby's preliminary results for the year to December are again expected to reflect the advantages of a wide spread of activities in different markets.

Pre-tax profits are forecast to be in the region of £14m—almost 15 per cent higher than the previous year's £12.2m. Although none of the specific markets in which the group operates have shown any sign of a sustained recovery, the benefits flowing from last year's acquisition of the European laboratory glassware business of Corning have begun to show through.

On the basis of a 15 per cent profit increase at the pre-tax level, earnings per share are expected to amount to 17.2p fully taxed, with a net dividend of around 6.3p.

The Sedgwick Group, which reports on Thursday, showed strong real growth at the half way stage, despite expense pressure, and the market is expecting this growth from the largest independent insurance broking firm in the UK to have been maintained in the second half.

The group is expanding its activities especially in the oil and gas fields where it is a dominant force. The market is looking for pre-tax profits of £75m against £56.4m last year of which some £8m will arise from the weakness of sterling, especially against the U.S. dollar.

The group increased its dividend at the interim stage by 11 per cent and is expected to make a further improvement in the final to leave total dividneds for 1982 of at least 7p net against 6p in 1981.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
ırstow Eves	Tuesday	—	—	0.22
ırclays Bank	Monday	8.75	8.58333	11.0
ibby (J. and Sons)	Thursday	1.8	4.06667	1.85
ıddingtons Breweries	Thursday	1.8	1.9	1.75
ıtish Vita	Tuesday	2.7	2.7	2.7
ıdbury Schweppes	Thursday	1.3	3.3	1.4
ımolite Investments	Tuesday	3.0	3.0	3.0
ıarke (T.)	Friday	0.63	1.12	0.6615
ombcn Group	Wednesday	1.2	1.35	1.2
ɔrah	Thursday	1.25	1.65	1.5
ıvies and Metcalfe	Tuesday	0.57	1.4	0.57
ırmer (S. W.) Group	Tuesday	3.069	8.1	3.1
ıs Indmar	Thursday	1.3	4.7	1.3
ıshor (James) and Sons	Friday	1.15	1.5	1.325
ıet Holdings	Tuesday	—	1.0†	—
ıng Kong and Shanghai Banking Corp	Tuesday	0.1575†	0.33†	0.18†
ıvergordon Distillers (Holdings)	Thursday	1.5	2.5	1.5
ıhnstone's Paints	Wednesday	—	1.765	1.765
ırdan (Thomas)	Thursday	1.75	3.5	1.75
ındon and Scottish Marine Oil	Thursday	4.0	6.0	4.5
ırtin-Black	Friday	—	—	—
ıdland Bank	Thursday	8.0	18.0	8.0
ıban Group	Thursday	—	—	—
ıunt Charlotte Investments	Tuesday	—	0.77	—
ıedlers	Thursday	—	4.0	—
ıicom	Wednesday	0.15	0.15	0.25
ıvident Financial Group	Tuesday	2.42	5.08	2.42
Ransomes Sims and Jefferies	Wednesday	3.14	8.0	3.14
Romai Tea Holdings	Monday	—	22.5	—
Rosedimond Investment Trust	Tuesday	3.1	3.4	3.7
Royal Dutch Petroleum	Thursday	3.0‡	4.5‡	3.2‡
Scan Data International	Thursday	—	—	—
Sedgwick Group	Thursday	2.25	3.75	2.5
Shell Transport and Trading	Thursday	8.6	11.8	9.2
Tavener Rutledge	Tuesday	—	—	—
Ultramar	Thursday	5.0	8.0	5.5
Williamson Tea Holdings	Monday	—	12.5	—
INTERIM DIVIDENDS				
AAH Holdings	Wednesday	2.1	3.1	
Boulton (William) Group	Wednesday	—	0.1	
Clark (Matthew) and Sons Holdings	Thursday	2.0	5.25	
Consolidated Gold Fields	Wednesday	8.5	15.0	
London and Strathclyde Trust	Tuesday	0.8	1.4	
Medminster	Wednesday	1.5	2.5	
Metamec Jentique	Friday	0.5	—	
Parker Knoll	Monday	2.5	5.0	
Scholes (George H.)	Monday	4.0	9.33333	
Sheldon Jones	Friday	1.25	2.65	
Yarrow	Friday	2.5	6.5	
INTERIM FIGURES				
Christy Bros	Friday			
Williams Holdings	Monday			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † In Hong Kong cents. ‡ In Dutch florins. ¶ For nine months to

Sedgwick acquires remainder of Singel

BRITAIN'S largest independent insurance broker, Sedgwick Group, has exchanged contracts to acquire the outstanding 40 per cent minority interest in Singel Groep Schlencker BV, one of the largest insurance and reinsurance broking and underwriting agency groups in the Netherlands. No purchase price has been disclosed.

Sedgwick has owned a 45 per cent interest since the merger between OWJ Schlencker BV and Singelgroep BV and increased its interest to 60 per cent in July 1982.

Meanwhile, in London there is speculation that Sedgwick may be planning to take a strategic stake of between 20 and 25 per cent in Alexander and Alexander Services, the world's second largest insurance broker with which Sedgwick once had merger discussions.

GLASS GLOVER BUYS ANOTHER DEPOT

Glass Glover Group has agreed to purchase a heritable property on the Houston Estates at Livingston, Midlothian, for £621,000 cash plus costs.

The property comprises an 83,777 sq ft distribution depot on a 4.88 acre site and some 1.2 acres of adjacent land. The company has negotiated a 12 year loan through its principal bankers.

The acquisition provides an additional facility which will enable the company to take advantage of a specific opportunity to extend its activities as specialist distributor of a wide range of commodities, including non-foods, to the multiple retail sector.

HENRY SYKES

The offers by Alco Standard for Henry Sykes have become unconditional in all respects. The special resolution in connection with a capital reorganisation of Sykes was passed at an EGM.

Offers for the reorganised capital are being extended until further notice.

On March 3, acceptances for the new ordinary offer and deferred offer had been received in respect of 7,228,592 new ordinary.

هكذا أصل الأصل

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

UDS, currently in receipt of offers for all or part of its assets from the Bassishaw consortium, Burton Group and Hanson Trust, has agreed to sell 133 shops, regarded by UDS as spare investment properties, to Courtaulds Pension Fund for around £19.8m. The sale has the agreement of favoured suitors Hanson and of the Takeover Panel; but Bassishaw, which has extended its offer until March 17 after gaining only minimal acceptances, described the disposal as a "panic sale."

Two months after an initial takeover attempt floundered, a new consortium headed by Mr David Wickins' British Car Auction has intimated that it would be prepared to pay *60p per share* for leisure, engineering and packaging group **Cope Allman** following the purchase earlier this week of around 1m shares bringing its stake to nearly 10 per cent. Talks are planned for next week, but Cope Allman's chairman Mr Louis Manson, has rejected the overture as *unacceptable stating an asset value of around 114p per share.*

West Country engineers **Spirax-Sarco** has agreed to purchase the Sarco division of White Consolidated Industries of Ohio, U.S., for a cash consideration of around £19.8m, thereby reuniting two companies *that* were split in 1952 following management buy-outs. The deal is conditional on the approval of Spirax shareholders and of the U.S. Hart-Scott-Rodino Antitrust Improvement Act.

The Malaysian Government's policy of participation in foreign concerns operating in the country took another step forward on Wednesday when **Inchcape Berhad**, the Malaysian subsidiary of the multi-faceted international merchant, agreed to sell 40 per cent of its activities to local interests for M$31.25m (just over £9m).

Messrs A. P. Ward and N. Fetterman have acquired almost 54 per cent of **Dollonds Photographic**, formerly British Cinematograph Theatres, from chairman Mr J. W. Davies and associates at 37½p per share and, under the rules of the takeover code, will offer the same amount to outstanding shareholders.

Dealings in property concern **Charles Booth** were suspended at the company's request pending details of merger negotiations taking place with New England Estates. Both companies are ultimately controlled by shippers Hunting Gibson.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aberthaw Cement	651§	635	420	18.72	Blue Circle
Andrsn Strthclyde	200*	196	179	94.83	Charter Cons
Anglo Met	90●	88	80	5.31	Atlantic Met
Austin (E.)	60*	61	50	2.54	Caparo Inds
Bell	160*§	165	136	0.45	Fleming (J.)
Crest Int	14½	11½	13	5.13	Kwik-Fit
Dollands	37½*§	100	70	0.15	A.P. Ward & N. Fetterman
Edin & Gen Ins	21½	22	13	4.63	Mills & Allen Intl
Green (R.)	135*	132	115	16.47	Throgmorton Tst
Heal	£38*	£38	£16	4.80	Habitat Mthrcare
Highams	75*	75	63	4.55	Largs
Highgate Optical	23*	67	35	0.47	Exent
Jeavons Eng	70§	73	62	3.92	Newman-Tonks
Rowan & Boden¶¶	60*	59	40	2.42	Firth (G. M.)
Second City Prop	69§ §§	69	60	15.04	Beazer (C. H.)
Sunrie	65*§	68	70	0.95	Afcor Invs
Sykes (Henry)	37*	36	25	3.16	Alco Standard
UDS	114*	119	89	217.4	Bassishaw Invs
UDS	121	119	110	230.7	Hanson Trust

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on March 4 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ● Loan stock alternative.

Rights Issues

Applied Computer Techniques is making a one for five rights issue at 250p per share to raise £6.29m.

Fisons is raising £28.7m via a rights issue on the basis of one for *five at 385p a share.*

Guinness Peat—One for one rights issue at 30p per share to raise £20.1m.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Albright & Wilson	Dec	13,310	(9,240)	—	(—)	—	(—)
Barker & Dobson	Dec	511+	(416)‡	0.4	(0.3)	—	(—)
Blagden Inds	Dec	1,743	(2,006)	12.5	(8.5)	6.0	(6.0)
Brooks Watson	Dec	2,260§	(1,580)§	6.1	(3.6)	3.0	(2.25)
Conslts Comptr	Dec	125	(100)	8.3	(11.0)	3.0	(—)
Crouch (Derek)	Dec	870	(2,470)	5.5	(9.3)	5.05	(5.05)
Fisons	Dec	21,100	(9,300)	38.8	(10.3)	12.5	(10.0)
General Accident	Dec	44,500	(104,900)	31.3	(43.7)	17.0	(16.3)
Grindlays Bank	Dec	27,700f	(10,300)f	14.0	(17.0)	4.38	(4.13)
Hamilton Oil	Dec	21,540	(13,170)	21.2	(12.9)	1.0	(1.0)
Heywood Wms	Dec	847	(247)	8.7	(2.7)	3.0	(1.0)
Olives Paper	Dec	23	(60)	0.7	(2.1)	—	(0.2)
Royal Insurance	Dec	96,500	(117,500)	38.7	(38.5)	26.5	(25.25)
Unilever	Dec	722,600	(709,200)	99.8	(105.4)	28.83	(26.87)
Rea Brothers	Dec	851c	(825)c	3.2	(3.1)	1.25	(1.21)
Sharpe (W. N.)	Dec	4,990	(5,740)	39.0	(41.3)	9.0	(8.0)
Vickers	Dec	19,600	(24,600)	14.1	(21.8)	8.0	(12.0)
Westwood Dawes	Dec	16L	(167)L	—	(—)	—	(—)
Woodhse & Rxsn	Dec	643	(607)	3.4	(5.9)	1.5	(1.4)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
BPM Holdings	Jan	533	(480)	1.58	(1.58)
Celtic Haven	Sept	105	(189)	0.25	(0.25)
Crosby House	June	95	(46)	—	(—)
Elbief	Oct	137	(136)	0.39	(0.39)
Electrnc Machine	Oct	45L	(60)	—	(—)
Galliford	Dec	1,370	(1,390)	0.7	(0.7)
IFICO	Dec	122	(118)	0.75	(—)
Intervision Video	Dec	420	(437)	—	(—)
Jackson (Wm)	Oct	298	(403)	—	(—)
Leisuretime Intl	Oct	141a	(83)b	0.9	(0.5)
Mitchell Cotts	Dec	2,650	(4,320)	1.5	(1.5)
Neepsend	Sept	620L	(335)L	—	(—)
Raine Inds	Dec	241	(68)	0.17	(0.1)
Saxon Oil	Dec	55	(66)	—	(—)
Wintrust	Sept	1,010	(906)	1.31	(1.2)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where otherwise stated. ‡ For 40 weeks to December 1982. ‡ For the 12 months to March 31, 1982. f Attributable profit. Total of first and second interim dividends. § In I£. a For the seven months to October 31 1982. b For the seven months to March 31 1982. c Profit is after tax and a transfer to inner reserves. L Loss.

Offers for sale, placings and introductions

Airship Industries is joining the Unlisted Securities Market via an introduction and is making a one for two rights issue at 140p to raise £5.87m.

Datastream is preparing to come to the stock market with a full quote in the next few weeks.

East Worcestershire Waterworks Company is making an offer for sale by tender of £2.5m of 7 per cent redeemable preference stock 1990, at a minimum price of £100 per cent.

Hambros Investment Trust—Issue of £8m of stepped debenture stock rising from 6 per cent this year to 9 per cent in 1986-87 and thereafter in 2 per cent jumps each year to a maximum of 17 per cent in 1990-91, where it will remain until the redemption date in 2015.

Intervision Video (Holdings) is coming to the USM via an introduction.

Sutton District Water Company—Offer for sale by tender of £8m of 7 per cent redeemable preference stock 1988, at a minimum price of £100 per cent.

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 519)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CGF (USP 497)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CTD (USP 91)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GUA (USP 182)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC (USP 205)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GMH (USP 557)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI (USP 390)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LS (USP 416)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
M & S (USP 201)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SHL (USP 424)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
BSL (USP 468)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IMP (USP 112)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LMO (USP 284)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LHR (USP 55)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P & O (USP 158)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RCL (USP 466)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RTZ (USP 504)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VRF (USP 6103)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Mar. 4 Total Contracts 1,289 Calls 699 Puts 590

APPOINTMENTS

Changes at Westland

WESTLAND has appointed **Mr Ken Wills** as managing director of Saunders-Roe Developments, which makes "Betalight" military markers and other high technology products. **Dr J. D. Ault**, who has been managing director since December 1981, relinquishes the position to concentrate full time on Westland Engineers. He will remain on the board of Saunders-Roe Developments. Mr Wills was previously manufacturing director of Normalair-Garrett.

Mr Ken Wills, Saunders-Roe Developments managing director

★

CONFEDERATION LIFE INSURANCE CO. has appointed **Mr K. M. Hilton** general manager for UK. He also becomes vice-president. He succeeds **Mr Paul Wortman** on his retirement. He became associate general manager in January 1982.

★

Mr Eric Hellstrom, a former shipbuilding executive with Kockums, Sweden, has joined HARLAND AND WOLFF as ship production director. Mr Hellstrom was formerly a director of Harland and Wolff from 1972 to 1976 when he was responsible for the development of the company's shipbuilding facilities. **Mr D. C. Tinkler**, personnel director, who for the past three years has accepted the additional responsibility of ship production director, will now concentrate on industrial relations and personnel developments.

★

KERRY ULTRASONICS, a Burmah group company, has appointed two directors to its board and created a new marketing role for the company's sales director. **Mr Bill Lambert**, sales director, has been appointed market development and specialised products director from July 1. He will be responsible for planning and developing the business of the Kerry Group. **Mr Alan Macartney**, manufacturing manager of the Flexibox UK division, has been appointed general manager and a director of Kerry Ultrasonics. Initially he will be responsible for the production activities of Kerry Ultrasonics with which he will co-ordinate production at Thermo Technic, a Kerry group company at Newtown, mid Wales. On July 1 he will also be responsible for the sales activities of Kerry Ultrasonics when Mr Lambert takes up his new appointment. **Mr Ian Newbold**, finance manager, has been appointed financial director and remains company secretary. The above will join the board of Kerry Ultrasonics, reporting to **Mr Gordon Littleford**, chief executive and managing director.

★

The McCORQUODALE GROUP has formed McCorquodale Packaging and made the following appointments: **Mr P. J. Holloran** (chairman); **Mr H. N. McCorquodale** (managing director); **Mr E. H. L. Wallace, Mr J. O. Letton, Mr M. W. Mills, Mr R. T. Waterfield, Mr G. W. Garwood** and **Mr A. M. Todd** (*directors*).

★

A new head of business development has been appointed by TRUSTEE SAVINGS BANK north *east*. He is **Mr Ashley Price** who has been a marketing manager with the bank since 1975. Mr Price succeeds **Mr Keith Greenwood** who is now *assistant general manager* of TSB of Yorkshire and Lincoln.

★

Dr Alan Raper has been appointed a member of the HEALTH AND SAFETY COMMISSION. He succeeds **Mr Tom Carle** who has resigned from the Commission on his retirement from BP Chemicals. Dr Raper is currently a director of Glaxo Holdings and a member of the council of the Chemical Industries Association.

★

Butler International, Montvale, New Jersey has appointed **Mr Anthony Docherty** as managing director of the European division of BUTLER SERVICE GROUP, *coinciding with his appointment* as a vice-president of the subsidiary.

★

The BOOTS COMPANY has made appointments at its principal retailing subsidiary, Boots The Chemists: **Mr Michael Ruddell** has become director of marketing, **Mr Marshall Davies** is director of operations and **Mr John Berry** is director of systems and administration.

★

Mr Ronald Keens has been appointed director-in-charge of *Racal Avionics*, one of the fastest growing companies in the Racal Electronics Group. He joins Racal after many years experience with Smiths Industries. Since 1977 he has been a member of the management board of Smiths Industries' International Aerospace Company.

Mr Ronald Keen, director-in-charge, Racal Avionics

★

At the Unilever company VAN DEN BERGHS & JURGENS, **Mr Jonathan Stowell**, previously with Unilever's detergents co-ordination, replaces **Mr Alex Kemner** as marketing director. Mr Kemner is taking over the chairmanship of Van den Berghs en Jurgens BV in the Netherlands. **Mr John Cummins** has been appointed personnel director in succession to **Mr Christopher Fey**, who is moving to Unilever's personnel function in Rotterdam. Previously Mr Cummins was deputy employee relations adviser for Unilever UK.

★

Mr Stephen O'Brien, formerly chairman of Charles Fulton Holdings, has been appointed chief executive of BUSINESS IN THE COMMUNITY.

LADBROKE INDEX
based on FT Index
652-657 (−7)
Tel.: 01-493 5261

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	6.00	6.25	7.50	7.25	1-year high option, 7.25 6 years sixty plus, 6.75 min £100, 7 days' notice no interest lost
Aid to Thrift	7.00	7.25	—	—	
Alliance	6.00	6.25	7.75	7.25	3 years Money Monthly £1,000 min. Interest paid monthly
Anglia	6.00	6.25	7.25	7.25	3 yrs., 2 mths.' withdrwl. notice
Birmingham and Bridgwater	6.00	6.25	7.75	7.25	Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00	1 m. not. or on dem. (int. pen.) 7.25 High I. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.25	Option Bond, 7.25 2 mths.' not.
Cardiff	6.00	7.00	7.75	—	
Cardiff	—	*7.50	—	—	* Share a/c bal. £10,000 & over
Catholic	6.00	6.50	7.50	7.50	6 months' deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.00	2-4 years
Chelsea	6.00	6.25	7.25	7.70	3 yrs., £1,000 min. im. wdl. pen.
Cheltenham and Gloucester	6.00	6.25	7.25	—	
Cheltenham and Gloucester	—	7.25	—	—	Gold Account—savings of £1,000 or more. No notice—no penalty
Citizens Regency	6.00	6.50	8.00	7.50	3 yrs. Double Option shs. 7.40
City of London (The)	6.25	6.60	7.50	8.00	£10,000-£30,000, monthly income, 3 months' notice no penalty
Coventry Economic	6.00	6.25	7.50	7.75	4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshire	6.00	6.25	7.50		6.75-7.35 (3 months' notice)
Greenwich	6.00	6.50	7.75	7.75	2 yrs., 7.50 28-day pen./notice
Guardian	6.00	6.50	—	8.25	6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25	Extra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	6.00	6.25	7.50	7.00	1 mth. not., 7.25 flexi. tm. 3 yr
Hemel Hempstead	6.00	6.25	7.50	7.75	3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	8.00	6 months, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00	6 mths., 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—	
Leeds and Holbeck	6.00	6.25	8.00	7.75	5 yrs., 3 mths.' interest penalty
Leeds Permanent	6.00	6.25	7.25	7.25	3 yrs., E.I. a/c £500 min. 7.00
Leicester	6.00	6.25	7.25	7.25	3 yrs., 7.25 3 months
London Grosvenor	6.00	6.60	8.50	7.10	3 mths.' notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50	1 m. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25	1 year, 3 months' notice no pen.
Mornington	6.80	7.30	—	—	
National Counties	6.25	6.55	7.55	8.00	28 days, 8.25 6 mths., £500 min.
National and Provincial	6.00	6.25	7.25	7.50	3 years, 7.00 1 month
Nationwide	6.00	6.25	7.25	7.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	6.75	7.00	—		7.00-8.00 on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.50	7.00	High int. sh. 7.25 Prem. share
Norwich	6.00	6.25	7.50	7.25	3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25	7 days' notice
Peckham	6.75	7.00	—	7.50	2 y., 8.00 3 y., 8.50 4 y., 7.25 Bns.
Portman	6.00	6.25	7.75	7.00	1 mth., 7.25 6 mths., 7.25 5 yrs.
Portsmouth	6.35	6.55	8.05	8.40	5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25	4 yrs., 8.25 6 mths., 7.75 3 mths.
Scarborough	6.00	6.25	7.50	7.25	Retirement Bonds (2nd issue), 7.25 Money Care + free life ins.
Skipton	6.00	6.25	7.50		7.00-7.15 (1 mth.) 7.25 3 yrs.
Sussex County	6.15	6.40	8.15		6.90-7.90 all with withdrawal option
Sussex Mutual	6.25	6.50	8.00		6.75-8.00
Thrift	6.15	7.15	—	9.15	5 yrs. term. Other accnts. avail.
Town and Country	6.00	6.25	7.50	7.50	3 yrs., 60 days' wdl. notice 7.50 imm. wdl. 28 days' interest loss
Wessex	6.25	7.30	—	—	
Woolwich	6.00	6.25	7.25	7.25	90 days (int. loss), 7.25 Special Interest Shares 90 days' not. or imm. wdl. with 90 days' int. loss (min. £500), 7.00 immed. wdl. 28 days' interest loss
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25	5 Star Bond min. £500, 2 mths.' not. with pen., 7.25 Golden key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of the investor.

BASE LENDING RATES

A.B.N. Bank	11 %	Gulf G'tee Trust Ltd.	12 %
Allied Irish Bank	11 %	■ Hambros Bank	11 %
Amro Bank	11 %	Hargrave Secs. Ltd.	11 %
Henry Ansbacher	11 %	Heritable & Gen. Trust	11 %
Arbuthnot Latham	11 %	■ Hill Samuel	§11 %
Armco Trust Ltd.	11 %	C. Hoare & Co.	†11 %
Associates Cap. Corp.	11 %	Hongkong & Shanghai	11 %
Banco de Bilbao	11 %	Kingsnorth Trust Ltd.	12 %
Bank Hapoalim BM	11 %	Knowsley & Co. Ltd.	11½%
BCCI	11 %	Lloyds Bank	11 %
Bank of Ireland	11 %	*Mallinhall Limited*	11 %
Bank Leumi (UK) plc	11 %	Edward Manson & Co.	12 %
Bank of Cyprus	11 %	Midland Bank	11 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Royal Trust Co. Canada	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½%
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ Brown Shipley	11 %	Standard Chartered	‖11 %
Canada Perm't Trust	11½%	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½%	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TCB	11 %
Cedar Holdings	11 %	United Bank of Kuwait	11 %
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	11 %
Choulartons	11½%	Westpac Banking Corp.	11 %
Citibank Savings	¶ 9 %	Whiteaway Laidlaw	11½%
Clydesdale Bank	11 %	Williams & Glyn's	11 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	11 %
Comm. Bk. of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11½%		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½%		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee
* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of under £10,000 8%, £10,000 up to £50,000 8¾%, £50,000 and over 9¼%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

WORLD STOCK MARKETS

NEW YORK

[illegible]

Profit taking on Wall Street

PROFIT-TAKING halted the upward trend on Wall Street, although stocks were above the worst by around mid-day yesterday.

After opening around seven points lower, the Dow Jones Industrial Average partially recovered to 1,136.03 by 1 pm, off a net 2.03 on the day but still up 15.09 on the week. The NYSE All Common Index, at $86.39, was off 9 cents on the day but up $2.04 on the week. Declines led advances by a seven-to-six majority while the volume decreased 13.6m shares to 67.84m compared with 1 pm Thursday.

Bank stocks picked up strength on expectations of lower interest rates. Salomon Brothers economist Henry Kaufman said in London that he expects a further decline in U.S. rates.

Active Citicorp climbed $1½ to $40¾, J. P. Morgan $1¾ to $72¾ and Chase Manhattan $1½ to $52.

ATT slipped $⅝ to $66¾ in heavy trading — the company filed for an underwritten public offering of 16m shares, to be made in the near future. ATT had previously announced plans for the offer.

THE AMERICAN SE Market Value Index shed 0.48 to 383.96, reducing its rise on the week to 5.93. Trading volume decreased 1.06m shares to 7.24m compared with 1 pm Thursday.

Canada

A downward trend developed by midsession, paced by a weakening in the Resource issues.

The Toronto Composite Index shed 9.3 to 2,155.7, Metals and Minerals 12.0 to 2,114.9, Golds 58.6 to 4,553.2 and Oil and Gas 13.8 to 2,800.6.

Asamera rose $1 to $29¼ — earlier it announced a new Gold find in Washington State. Its project partner, Breakwater, held unchanged at 12.

Closing prices for North America were not available for this edition.

Germany

Prices rallied again after a dull opening, to close firm on continuing belief the Conservative CDU and CSU Parties will retain power after the West German General Election on Sunday.

The Commerzbank Index, calculated at mid-session, rose 3.2 to 822.3, its highest since January 1979.

Motors were featured, with Daimler DM 3.50 up at 427 and VW DM 2 at 173.

AEG rose DM 2.70 to 55.70, after a week of spectacular movements following news of its improved financial position.

Kloeckner-Werke put on DM 3 to 43 on news of closer co-operation with CRA of Australia through Kloeckner's DM 100m convertible loan. Kloeckner also rejected rumours it might seek a court supervised settlement of debts.

Deutsche Babcock further declined DM 2 to 146 on a DM 398m net loss in the year ended September 30.

German Domestic Bonds also finished higher despite a becalmed opening. Public issues and five-year Government notes advanced up to DM 0.30.

Bundesbank sold DM 22.2m (DM 34.3m) worth of Public paper to balance the market.

Mark-denominated Eurobonds also advanced in anticipation of a revaluation of European monetary system currencies to the benefit of the mark.

Paris

Election jitters seized the Bourse as stock prices staged a broad retreat ahead of weekend elections in France and West Germany.

Investor fears of broad economic changes following Municipal elections in France and the Parliamentary contest in Germany drove most sectors lower.

Analysts have predicted the franc faces the prospect of another devaluation within the European Monetary system after the French and German Governments put Elections safely behind them.

Banks, Foods, Engineerings, Hotels, Stores and Metals lost ground. But Motors and Oils improved, while Portfolios, Constructions and Chemicals were mixed.

Foreign issues were generally favoured as operators shed French issues. The Devise-Titre, the Dollar Premium used to buy Foreign shares, firmed to Frs 9.04 from Frs 8.9 Thursday.

Switzerland

Mixed with a firmer bias on unusually large turnover ahead of the weekend.

Selective purchases by Foreign Institutions pushed prices of a few issues significantly higher on substantial volume, while price movements in lightly traded shares were mostly small.

Among Banks, Baer Holdings rose Frs 175 to 5,875 ahead of next Monday's results.

Active Interdiscount rose Frs 45 to a new high of 930—it plans to raise the dividend.

In Foreign shares, Dollar stocks closed around overnight New York levels, but Golds fell sharply in line with the retreating bullion price.

Tokyo

Slightly higher on balance in thin, erratic trading with international Populars rising in line with the recent advance on Wall Street.

The Market Index finished up 9.63 at 8,014.70 after rising over 30 points early in the morning, spurred by foreign purchasing of Japanese Blue Chips in Wall Street.

Keeping the market buoyant were Electricals. Steels gained ground, reflecting the recent recovery of U.S. steel output.

Textile, Machinery, Chemical, Fishery and Housing stocks turned downward, however.

Meiji Seka Kaisha was suspended after it fell sharply in afternoon session following a local Press report that the company fabricated data it submitted to the Government on a new pain-killing drug. Other Pharmaceuticals also fell.

Hong Kong

The market again shrugged off positive news both locally and abroad to close lower in modest dealings. The Hang Seng Index quickly jumped off to a 10-point lead after the first hour, then declined the remainder of the session to close down 17.20 at 985.58.

There were two general views on the current performance. Several Brokers said that it appears overseas Institutions have exhausted their appetite for Hong Kong shares, while local investors are taking profits after a rally earlier. early gains in the day.

There was also speculation that the two closely related companies, Jardine Matheson, off 70 cents at $HK14.70, and Hong Kong Land, off 23 cents at $HK4.22, plan to announce rights issues with their final results, due this month.

Singapore

Higher on strong buying in very active trading ahead of Singapore's Budget announcement, which is not expected to spring any tax shocks.

The Straits Times Industrial Index rose 8.32 to 831.25.

Australia

Share prices continued to move higher in cautious pre-election trading.

Good performances by Wall Street and London markets and a better World Bullion price helped keep stocks firm. The All Ordinaries Index rose 4.6 to 512.6.

Resource shares managed to score amid the uncertainty, and traders said they may have better results due to a weakening Australian dollar, since most of their export contracts are in U.S. dollars.

Gold Mines gained ground in the wake of the higher opening spot Gold price in Hong Kong.

CANADA

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

ITALY

[illegible]

AUSTRALIA

[illegible]

JAPAN (continued)

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL

[illegible]

TORONTO Composite

[illegible]

NEW YORK ACTIVE STOCKS

[illegible]

(**) Saturday February 26: Japan Dow 8046.88. TSE 589.15.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

هكذا صلى الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

D-mark firmer

The D-mark was sharply firmer in currency markets yesterday, underpinned by expectations of a Conservative win in tomorrow's general election. Trading was rather subdued however ahead of the weekend with the market unable to adopt any particular stance given the currency uncertainty over oil prices ahead of this weekend's meeting of Opec ministers. Sterling held steady for most of the day but suffered in late trading in rather thin conditions. The dollar also lost favour amid renewed hopes of lower interest rates and finished the day weaker against most major currencies.

The dollar fell to DM 2.4040 against the D-mark from DM 2.4250 and sterling was also lower in D-mark terms at DM 3.64 compared with DM 3.67. The strength of the D-mark put further pressure on the weaker members of the EMS, notably the Belgian franc. The dollar slipped to SwFr 2.0440 from SwFr 2.0530 against the Swiss franc and Y236.0 from Y236.25. It was also lower against the French franc at Fr 6.82 from FFr 6.8740 and its Bank of England index fell to 119.9 from 120.2.

Sterling's index fell to 79.6 from 79.8, equal to its lowest level since June 1978, having stood at 79.8 at noon and 79.9 in the morning. Against the dollar sterling opened at $1.5125-1.5235 and traded in a narrow range of $1.5100-1.5170 before closing at $1.5120-1.5130, a fall of just 5 points. It was weaker against the Swiss franc at SwFr 3.0950 from SwFr 3.11 and Y357 from Y358. Against the French franc it fell to FFr 10.3150 from FFr 10.4050.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	44.9635	−0.02	+1.56	±1.5501
Danish Krone ...	8.23400	8.17733	−0.69	+0.89	±1.6430
German D-Mark ...	2.33379	2.28152	−2.24	−0.66	±1.0888
French Franc ...	6.61387	6.46950	−2.16	−0.60	±1.3940
Dutch Guilder ...	2.57971	2.52272	−2.21	−0.63	±1.5004
Irish Punt ...	0.691011	0.689182	−0.26	+1.32	±1.6691
Italian Lira ...	1350.27	1326.87	−1.73	−0.82	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

March 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5100-1.5170	1.5120-1.5130	0.32-0.27c pm	2.34	0.81-0.76 pm	2.08
Canada	1.8475-1.8550	1.8495-1.8505	0.25-0.15c pm	1.30	0.85-0.75 pm	1.73
Nethlnd.	4.01-4.06	4.01½-4.02½	2½-2c pm	6.72	6¾-6½ pm	6.47
Belgium	71.50-72.35	71.60-71.70	25-35c dis	−5.02	60-75 dis	−3.77
Denmark	12.98-13.12	13.00½-13.01½	5½-6½ore dis	−5.65	17½-18 dis	−5.83
Ireland	1.0850-1.1080	1.0985-1.0995	0.24-0.38p dis	−3.39	0.82-0.96dis	−3.28
W. Ger.	3.63-3.67½	3.63½-3.64½	2½-1½pf pm	6.18	6½-5½ pm	6.91
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 75.65-75.85. Six-month forward dollar 1.31-1.26c pm. 12-month 1.95-1.80c pm.

THE DOLLAR SPOT AND FORWARD

March 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5100-1.5170	1.5120-1.5130	0.32-0.27c pm	2.34	0.81-0.76 pm	2.08
Ireland†	1.3680-1.3855	1.3840-1.3855	0.66-0.56c pm	5.34	1.83-1.68 pm	5.12
Canada	1.2210-1.2230	1.2220-1.2230	0.09-0.12c dis	−1.03	0.15-0.19dis	−0.54
Nethlnd.	2.6550-2.6780	2.6560-2.6570	1.03-0.93c pm	4.43	2.92-2.82 pm	4.32
Belgium	47.38-47.70	47.36-47.38	28-29c dis	−6.89	66-71 dis	−5.78
Denmark	8.6030-8.6900	8.6050-8.6150	3¾-4¼ore dis	−5.21	10-11 dis	−4.86
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 50.15-50.25.

EXCHANGE CROSS RATES

Mar. 4	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
[illegible]										

MONEY MARKETS

Continued shortage

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of £450m, with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills −£343m and a rise in the note circulation of £240m. On the other hand Exchequer transactions added £80m to the system. The Bank gave assistance in the morning of £319m, comprising purchases of £1m of eligible bank bills in band 1 (up to 14 days) at 11 per cent and £4m of Treasury bills in band 2 (15-33 days) at 11 per cent. In band 2 it also bought £13m of eligible bank bills at 11 per cent. The bulk of the help was made up of sale and repurchase agreements on £301m of bills at 11-11$\frac{1}{32}$ per cent, unwinding on March 30. Further help in the afternoon comprised purchases of £81m of bills, making a grand total of £400m. The afternoon help was made up of £10m of eligible bank bills in band 1 and £71m in band 2 all at 11 per cent.

Weekend money in the interbank market opened at 11¼-11⅜ per cent and eased to a low of 10 per cent before coming back in the afternoon to touch 11⅜ per cent. Period rates were a little easier, reflecting a slightly more bullish tone in the market. This was reflected in the average rate of discount at the weekly Treasury bills tender which fell 0.1206 per cent to 10.7233 per cent.

LONDON MONEY RATES

[illegible]

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 2 to March 1 1983 inclusive 11.391 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11¼ per cent; four years 11½ per cent; five years 11½-11¾ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rate for four month banks bills 10$\frac{13}{16}$ per cent; four months trade bills 11$\frac{5}{16}$ per cent.

Approximate selling rate for one month Treasury bills 10$\frac{13}{16}$-10$\frac{11}{32}$ per cent; two months 10$\frac{21}{32}$-10$\frac{11}{16}$ per cent; and three months 10⅝-10½ per cent. Approximate selling rate for one month bank bills 10 63-64-11 per cent; two months 10$\frac{27}{32}$-10$\frac{25}{32}$ per cent; and three months 10¾-10$\frac{23}{32}$ per cent; trade bills 11$\frac{11}{32}$ per cent; two months 11$\frac{11}{32}$ per cent; and three month 11$\frac{1}{32}$ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from March 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven day's notice 9 per cent.

Treasury Bills: Average tender rate of discount 10.7233 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held one month 11½ per cent; one-three month 11¼ per cent; three-six month 11 per cent; six-12 month 10¾ per cent. Under £100,000 10½ per cent from March 7. Deposits held under Series 2-5 10¼ per cent. The rate for all deposits withdrawn for cash 9½ per cent.

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Mar. 4	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	11⅛-11⅜	11⅛-11⅜	11¼-11⅜	[illegible]	[illegible]	[illegible]
U.S. Dollar	9½-8¾	8⅝-8⅞	8⅝-8⅞	[illegible]	[illegible]	[illegible]
Can. Dollar	10½-11½	10-11	[illegible]	[illegible]	[illegible]	[illegible]
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S. Franc	3-3¼	2¼-2¾	[illegible]	2⅞-5	[illegible]	[illegible]
Deutschm'rk	5-5⅛	5-5⅛	5-5⅛	5-5⅛	[illegible]	[illegible]
Fr'nch Franc	13-14	28-32	52-54	25½-26½	21½-22½	18½-19
Italian Lira	18-20	[illegible]	24-25½	[illegible]	[illegible]	[illegible]
Belg. Franc Conv.	11¾-12¾	14-16	15-16	[illegible]	[illegible]	[illegible]
Fin.	12 18¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	14¼-14⅝	14⅝-15	[illegible]	[illegible]	[illegible]	[illegible]
Asia 5 (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER CURRENCIES

Mar. 4	£	$		£ Note Rates
Argentina Peso	92,710-99,915	$1,240-61,290	Austria	85.05-25.95
Australia Dollar	1.5965-1.5985	1.0565-1.0570	Belgium	70.15-77.15
Brazil Cruzeiro	585.52-588.32	386.71-388.64	Denmark	13.04-13.17
Finland Markka	8.1380-8.1625	0.4020-5.4040	France	10.34-10.44
Greek Drachma	124.700-127.869	85.40-83.70	Germany	5.64½-5.68½
Hong Kong Dollar	10.00-10.00	0.0125-6.6175	Italy	2100-2145
Iran Rial	187.80*	84.00*	Japan	557-568
Kuwait Dinar (KD)	0.440-0.445	0.29200-0.29219	Netherlands	4.03¼-4.07¼
Luxembourg Fr.	71.60-71.70	47.30-47.38	Norway	10.78-10.88
[illegible]			Portugal	140-155

*Selling rates

FT LONDON INTERBANK FIXING

(11.00 a.m. MARCH 4)

3 month U.S. dollars		6 months U.S. dollars	
bid 8 3/4	offer 8 7/8	bid 8 7/8	offer 8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1982/83 High	Low
[illegible]					
Des. Coconut	£650	+20	£500	£650	£440
Gas Oil Fut. April	$228	+4	$257.75	$323	$220
Jute LJ ASW C grade		—	£263	£270	£223
Rubber kilo	74.5p	+5.0	48p	74.5p	43p
Sago Pearl	£250v	—	£225	£250	£290
Sisal No. SL	$655	—	$640/650	$640/660	$580/610
Sugar (Raw)	£104v	−3	£155	£177	£92
Tapioca No. 1	£285v	—	£220	£285	£210
Tea (quality) kilo	145p	−4	124p	155p	117p
(low med.) kilo	110p	−1			
Wooltops, 64s Warp	405p kilo	—	390p kilo	405p kilo	362p kilo

† Unquoted (o) Madagascar (a) April (z) May (w) February-March (v) March-April § Ghana cocoa

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.25-28.40	−0.02
Iranian Light	26.50-27.40	—
Arabian Heavy	26.50	—
North Sea (Forties)	27.70-27.80	−0.07
North Sea (Brent)	27.80	—
African (Bonny Light)	28.00-28.75	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	255-270	—
Gas oil	235-241	−2.0
Heavy fuel oil	154-156	−1.0

GAS OIL FUTURES

Trading was lacklustre as the informal Opec meeting continued. News that the meetings were to continue steadied the market on the close after prices had drifted lower, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
March	834.00	−0.75	235.00-33.00
April	228.00	......	229.50-25.50
May	223.00	......	224.50-21.50
June	221.20	−0.75	226.25-20.50
July	222.00	......	225.00-21.00
Aug	224.00	+0.25	224.50-22.25
Sept	905.50	−0.50	225.00-24.00
Oct	925.00	−2.50	226.00-25.50
Nov	229.00	......	—

Turnover: 2,287 (3,278) lots of 100 tonnes.

GOLD MARKETS

Gold fell $17¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $412-413. The metal opened at $429¼-430¼ and suffered from stop loss selling amid general uncertainty about the current Opec meeting and a possible change in oil prices. It traded up to a high of $430-431, but lost ground to finish at its lowest level of the day.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
March	412.50-4.00	−10.75	—
April	415.70-6.00	−16.85	431.50-11.0
May	417.70-8.50	−18.80	—
June	420.50-1.50	−17.10	427.50-17.0
July	423.70-4.80	−17.65	—
August	487.00-8.00	−17.75	429.90
Sept	430.00-1.20	−19.00	—

Turnover: 2,133 lots of 100 troy ounces.

REVIEW OF THE WEEK

Renewed gold fall unsettles metals

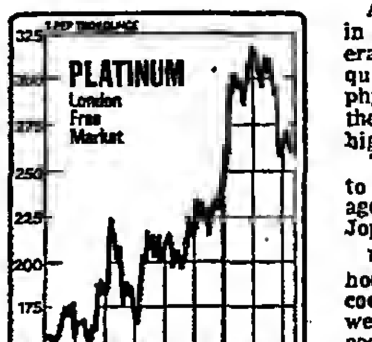
BY OUR COMMODITIES STAFF

THE VIOLENT gyrations in the gold market continued to be the dominating influence this week, especially in the metal markets.

The further decline in gold yesterday, after the market had staged a minor recovery, brought further pressure on other metal prices. Free market platinum plummetted again this week losing £26.5 to £261.25 ($394.75) an ounce on continued selling by speculators, who had early bought it as a store of wealth.

Although there is considerably uncertainty about the future of OPEC (the oil producers cartel), the easier trend in oil prices is considered to be deflationary and encouraged speculators to dispose of metals previously bought as a safeguard against the falling value of money.

Silver prices tumbled as well in the wake of gold. The London bullion spot price dropped by 168.95p to 699.65p an ounce at yesterday's morning fixing. It fell to 682p in afternoon trading. Base metals were less responsive to gold, since lower oil prices are expected to speed up the industrial recovery and boost demand for metals. However, copper, which had previously been boosted by gold speculators, was badly hit. Yesterday the cash price of high-grade copper fell by £31.5 to £1,068.75 a tonne—£57.75 down on the week—on the London Metal Exchange mainly as a result of a slide in New York. The steadier performance of copper earlier in the week suggested that the links between gold



and base metals had been largely severed, but speculative activity is still a major influence. At the same time the fall in New York forced several U.S. producers to cut their domestic sell-up prices back by 2 cents to 84 cents a pound. Other base metals did, in fact, hold reasonably steady. There were only marginal falls in aluminium, which touched a new 35-month peak on Monday, lead, nickel and zinc.

Liveliest performer among the soft (non-metal) commodities was natural rubber.

After losing 2p to 69p a kilo in Monday's gold-inspired general sell-off the RSS No. 1 spot quotation on the London physical market rallied to end the week 3.50p up at a 3-year high of 74.50p a kilo.

Traders attributed the rise to speculative buying encouraged by renewed Chinese and Japanese demand.

Monday's gold price collapse had a marked impact on the cocoa market where investors were reported to be liquidating cocoa positions in order to cover gold futures margin requirements. The May position fell to £1,228 a tonne at one stage.

"Bullish" supply demand factors were reasserted, however, and May cocoa ended the week £14 up at £1,303.50 a tonne, despite losing £12 in sympathy with gold yesterday.

The sugar market followed a similar pattern but the August futures quotation ended £2.80 down on the week at £119.375 a tonne. In the circumstances traders were not surprised that there was very little activity on the sugar traded options market, which opened on Tuesday.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash High-Grade traded at Cash £1078, three months £1114.00, 13.00, 12.00, 11.00, 10.00, 08.00, 10.00, 09.50, 10.00, 10.50, 11.00, 12.00. Cathodes: Cash £1087.00, 57.50, 68.00, 67.50, three months £1094.00, 95.00, 95.50. Kerb's: Higher Grade: Three months £1114.00, 15.00, 14.00, 15.00, 14.00, 14.50, 15.00, 16.00. Afternoon: Higher Grade: Cash £1068.50, [illegible]

ALUMINIUM

months £459.00, 58.50, 58.00, 57.50, 58.00. Kerb: Three months £457.50, 58.00, 58.50, 59.00. Turnover 9425 tonnes.

Aluminm	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	860.7	−12.5	855-0	−14.5
[illegible]				

COPPER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

NICKEL

[illegible]

SILVER

[illegible]

COFFEE

Sales: 4,878 (4,011) lots of 10 tonnes.

ICCO—Daily price for March 3: 86.97 (85.85). Indicator prices for March 4: 85.51 (85.56).

COFFEE	Yesterday's Close	+ or −	Business Done
March	1655-00	−18.5	1662-51
May	1661-65	−6.0	1071-60
[illegible]			

GRAINS

[illegible]

POTATOES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

COCOA

[illegible]

INDICES

FINANCIAL TIMES

Mar. 3	Mar. 2	M'th ago	Y'ar ago
261.54	260.18	255.48	243.60

(Base: July 1 1952=100)

REUTERS

Mar. 4	Mar. 3	M'th ago	Y'ar ago
1712.0	1713.0	1674.5	1588.5

(Base: September 18 1931=100)

MOODY'S

[illegible]

DOW JONES

[illegible]

AMERICAN MARKETS

NEW YORK, March 4.

Precious metals were under major pressure most of the day with additional forced liquidation being the most depressing factor. Unfounded rumours about a military alert concerning the Middle East oilfields and the Alaskan pipeline moved gold off limit declines. Copper prices collapsed in sympathy with precious metals on massive commission house liquidation. In the face of the negative psychology sugar was surprisingly stable on reports of alleged Soviet buying in Brazil. Cocoa prices receded on heavy arbitrage selling as the trade remained on the sidelines. Coffee prices were slightly lower in lacklustre trading on moderate liquidation. The market suffered from a lack of inquiries with the cash market very slow. Cotton was moderately high on favourable export figures which prompted trade buying and technical probing of the long side. Heating oil prices sold off sharply early but recovered later in the day when Opec ministers announced in London that a new meeting would be held on Monday. The late rally in gold turned a weakening market around in soybeans and grains giving them a steady to strong finish. Reported by Heinhold Commodities.

NEW YORK

COFFEE "C" 37,000 lb. cents/lb

	Close	High	Low	Prev
March	124.76	125.00	124.75	125.02
May	121.83	122.25	121.80	122.31
July	120.30	120.65	120.05	120.64
Sept	119.35	119.70	119.05	119.56
Dec	116.05	116.80	116.30	116.50
March	113.90	114.25	113.80	114.15
May	111.50	—	—	112.15
July	108.00	—	—	108.88

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
March	394.9	398.0	388.0	[illegible]
April	396.9	399.0	388.4	[illegible]
July	401.2	404.0	393.4	[illegible]
Oct	406.4	409.5	400.9	[illegible]
Jan	415.9	419.5	408.4	[illegible]
April	423.4	427.0	416.0	[illegible]

CHICAGO

[illegible]

COTTON

[illegible]

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system: they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡Bargains at special prices. ♦Bargains done the previous day. ΔBargains done with non-member or executed in overseas markets.

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

UNLISTED SECURITIES MARKET

RULE 163 (4) (a)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

(By permission of the Stock Exchange Council)

Authorised Units—continued

Insurances—continued

Offshore and Overseas—continued

EUROPEAN OPTIONS EXCHANGE

Series			March Vol.	March Last	June Vol.	June Last	Sept. Vol.	Sept. Last	Stock
D:FL	G	F.265	50	5	—	—	—	—	F.285,15
D.FL	G	F.270	50	1.10	—	—	—	—	"
D.FL	C	F.275	—	—	—	—	2	5.50	"
D.FL	G	F.280	—	—	10	1.50	—	—	"
O.FL	P	F.260	3	0.80	—	—	1	8	"
D FL	P	F.265	1	1.50	70	B	—	—	"
D.FL	P	F.270	51	4.50	—	—	—	—	"
O FL	P	F.275	79	8.50B	—	—	—	—	"
12¾ NL 81 87-91									
	C	F.127,50	5	7.50	—	—	—	—	F.156,50
	G	F.150	10	5.50 A	—	—	—	—	"
	C	F.155	80	2.50	—	—	43	5.50	"
	C	F.140	20	1	—	—	—	—	"
	P	F.150	20	0.80	—	—	5	5.50	"
10¾ NL 80 88-95									
	C	F.112,50	10	5.50	—	—	—	—	F.116.20
	C	F.115	—	—	125	5.20	—	—	"
11¼ NL 82 88-92									
	C	F. 115	25	3.20	—	—	—	—	F.117.80
10½ NL 82 86-89									
	C	F.102.50	150	9.70	—	—	—	—	F.112.40
10 NL 82-11 86-89									
	C	F.112.50	2	1.50	—	—	—	—	F.112.80
	O	F.115	10	0.50	—	—	—	—	"
7¾ NL 82 82-25									
	C	F.100	15	2.80	—	—	—	—	F.101.40
	C	F.102.50	10	1	4	1.80	—	—	"
	P	F.102.50	25	2	—	—	—	—	"
7½ NL 85 87-90									
	C	F.150	2	1.50	1	2.60	—	—	F.100,60
	C	F.102.50	561	0.40	—	—	—	—	"
	P	F.100	10	0.50	—	—	—	—	"

		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	
GOLD C	$400	10	45 B	10	70	2	85	$415
GOLD C	$425	81	50	2	50	—	—	"
OOLD C	$450	40	24	47	57	2	65	"
OOLD C	$475	98	16	15	64	—	—	"
GOLD C	$550	154	2.90	25	22	5	34	"
GOLD C	$550	261	5	5	17	9	50	"
OOLD P	$350	53	5.20	—	—	—	—	"
OOLD P	$375	101	8.20	—	—	—	—	"
GOLD P	$450	77	17	12	20 B	—	—	"
OOLD P	$425	105	20	29	50 B	—	—	"
GOLD P	$450	20	58	50	47	—	—	"
GOLD P	$475	10	58 B	—	—	—	—	"
GOLD P	$500	10	150 B	—	—	—	—	"
		April		July		Oct.		
ABN P	F.540	82	25.50	—	—	—	—	F.558
ABN P	F.320	125	1.50	—	—	—	—	"
AKZO O	F.35	77	12 B	112	12 B	—	—	F.54
AKZO O	F.40	551	15.80 B	505	14 B	111	14 B	"
AKZO C	F.45	589	8.80 B	318	9 B	93	10.80	"
AKZO O	F.50	522	5.50	703	5	252	7	"
AKZO P	F.40	77	0.20	477	0.80	—	—	"
AKZO P	F.45	78	0.60	65	1.50	—	—	"
AKZO P	F.50	195	2	94	4.10	—	—	"
AMRO C	F.50	512	4	255	5.70	—	—	F.52.90
AMRO C	F.50	100	1.20	—	—	—	—	"
OIST C	F.150	150	10.50	—	—	—	—	F.156
GIST C	F.140	952	7	—	—	—	—	"
GIST G	F.140	200	8 B	—	—	—	—	"
NEIN C	F.110	50	12 B	—	—	—	—	F.121.50
HEIN P	F.120	140	5.50	79	9	—	—	"
HEIN P	F.90	150	0.20	—	—	—	—	"
NOOG C	F.17.50	290	4.90	—	—	—	—	F.22.50
HOOG C	F.22.50	151	2.50	67	5.80	—	—	F.165
KLM G	F.150	105	19	—	—	—	—	"
KLM G	F.160	328	15	—	—	—	—	"
KLM G	F.170	90	7.20	—	—	—	—	"
KLM P	F.110	61	0.40	—	—	—	—	F.107
NEDL P	F.20	105	0.80	—	—	—	—	F.141
NATN C	F.180	60	22 A	—	—	—	—	F.35.10
PHIL C	F.30	115	5.30	256	5.50	5	6.50	"
PHIL C	F.32.50	59	3.20 B	106	4.30	15	5	"
PHIL C	F.35	71	1.80	144	3.10	81	5.20	"
PHIL C	F.40	616	0.80	525	1.50	126	2.50	"
PHIL P	F.32.50	72	0.50	30	1.20	5	1.70	"
RD C	F.100	503	3.20	180	4.50	42	6	F.96.50
RD C	F.110	416	0.90	75	2.20	61	5.30	"
RD P	F.80	700	0.20	—	—	—	—	"
UNIL C	F.200	69	6.40	24	10	4	15.50	F.195.70

TOTAL VOLUME IN CONTRACTS 15,203

A=Asked B=Bid C=Call P=Put

U.K. CONVERTIBLE STOCK 5/3/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	253.50	333.3	80-97	4.3	1.5	− 1.1	− 4 to 8	29.6	86.3	19.8	+20.9
Hanson Trust 9½pc Cv. 01-06	81.54	206.50	107.1	85-01	4.7	2.5	− 1.7	− 4 to 7	96.5	71.6	−11.8	−10.2
Slough Estates 10pc Cv. 87-90	5.03	226.50	234.4	78-84	4.4		− 7.1	−13 to −4	17.8	9.4	− 3.5	+ 3.6
Slough Estates 8pc Cv. 91-94	24.72	108.50	97.5	80-89	7.5	6.9	7.0	3 to 12	29.1	34.5	5.4	− 1.6

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + Is an indication of relative cheapness, − is an indication of relative dearness. ♣ Second date is assumed date of conversion, this is not necessarily the last date of conversion.

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Zanussi forecasts loss of L100bn

BY JAMES BUXTON IN ROME

ZANUSSI, the Italian company which is Europe's biggest producer of "white gooda"—home electrical products—has firmly denied reports circulating in Italy that it is in financial difficulties.

But it bas revealed that the group made a "real" loss of about L100bn ($71.3m) last year on sales of about L1,600bn, before taking into account the effect of stock revaluation. Its level of indebtedness, it added, now stands at about L800bn.

These figures were given in an interview by Sig Lamberto Mazza, the company's managing director. He said that the group was suffering because of continuing delays by the Government in advancing funds for the revival of the Italian "brown" goods — consumer electronic products—industry.

"Zanussi can't be considered done for," said Sig Mazza. "I deny that the group is in difficulties. The Zanussi miracle, stopped by three main elements—the crisis of the electronics sector, inflation and the rise in interest rates—will soon be on its way again."

The company, which is based at Pordenone in north-west Italy, intends to cut its workforce, currently standing at about 30,000, by about 3,000, and to reduce its debt from L800bn to L600bn.

As well as the expected Government funding for the brown goods industry, it says it is also entitled to about L150bn from the regional government of Friuli, in which it is situated, out of a fund intended for the relaunch of economic activity after the 1977 earthquake there.

Despite having one-seventh of the European market for fridges, freezers and washing machines, and a good product image, Zanussi has been suffering since 1980 from the stagnation in the white goods sector in Europe and the drastic paring of margins.

But the main cause of operating losses last year was the poor performance of its electronic goods subsidiary, Ducati Elettronica. Although Zanussi is by far the biggest Italian maker of brown goods, it only has a small market share and cannot finance the heavy investment necessary.

Last year the Government allocated L240bn to assist the whole Italian brown goods sector, through a holding company called Rel. The majority of these funds would go to Zanussi, but despite promises they bave not been disbursed and their value is being eroded by inflation.

Underlying these problems is the fact that the Zanussi group, which is 90 per cent owned by the Zanussi family, and is not publicly quoted, has only L80bn of equity capital and has consistently financed itself with bank loans. Italian prime lending rate currently stands at 20 per cent. Some 8.6 per cent of the equity belongs to the Austrian company Voest Alpine.

Sig Mazza said that the Zanussi group accounts should close around break-even point for 1982, thanks to the revaluation of stocks which will be permitted under new tax legislation currently before the senate. The legislation should be passed in a few weeks and will be applied to the 1982 accounts of Italian companies.

The company has not given an equivalent figure for 1981 for the expected loss of about L100bn for 1982. In 1981 the parent company, Zanussi Spa, made profits of only L3.6bn, on sales of L836bn. Group medium and long term indebtedness in 1981 stood at L636bn.

Parent to bid for balance of Demag

By Jonathan Carr in Bonn

Mannesmann, the West German engineering concern, proposes to take over the whole of the share capital of Demag, the industrial plant and machine tool manufacturer in which it already has a 91.8 per cent stake.

The announcement yesterday coincided with release of a Demag shareholders' letter reporting a fall in earnings last year —by an unspecified sum—and a drop in incoming *orders of 28 per cent to* DM 2.7bn ($1.11bn).

Mannesmann is offering one of its shares for one Demag share, plus DM 15 cash a share. The nominal share capital of Demag totals DM 290m. Mannesmann's shares closed *yesterday* on the Frankfurt exchange at DM 155.50—a rise of DM 1 on the day. Demag trading was suspended pending the parent company announcement. On Thursday they closed at DM 141.

Demag net profits for 1981 were down to DM 12m after DM 29m in 1980.

Demag now reveals that orders from abroad last year fell 34 per cent to DM 1.8bn; those at home were down 12 per cent to DM 875m. However, sales were up by 11 per cent to DM 3.2bn. Domestic turnover advanced 27 per cent to DM 1.2bn.

Foreign sales rose by only 3 per cent to DM 2.1bn.

German Babcock loss

DEUTSCHE BABCOCK, the West German engineering and power station group, confirmed yesterday that it would report a loss of DM 389m ($160m) for the financial year ended last September. This would compare with a DM 23m profit in the previous financial year, writes John Davis in Frankfurt.

News Corporation ahead after strong UK turnround

BY OUR FINANCIAL STAFF

NEWS CORPORATION, the Australian-based publishing group headed by Mr Rupert Murdoch, has reported a sharp increase in interim profits partly because of a solid return to the black by its UK operations.

The group's net profits for the six months ended December were A$31.54m (U.S.$30m), up 75 per cent from A$18.07m a year earlier. Turnover rose by 17 per cent from A$607.44 from A$713.7m. The dividend was unchanged, however, at 5.5 cents a share.

News International, the group's UK operations which include the Sun, News of the World and Times Newspapers, reported a first half pre-tax profit of £12.2m (U.S.$18.5m) compared with a loss of £2.1m a year earlier. The company gave few clues for this marked improvement in this subsidiary which bad dragged down the full group's earnings in earlier periods. News International's interim turnover rose to £194.7m from £183.5m a year earlier.

The improvements abroad were offset by a decline in Australian profits, News Corporation said. The total net profit was struck after tax of A$14.7m (A$15.4m a year earlier), depreciation of A$10.8m (A$9.3m), interest of A$28m (A$24.9m) and minorities of A$857,444 (A$808,000) but before an extraordinary loss of A$27.16m from currency conversion factors (A$5.3m a year earlier).

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SGB boosts profits by 12.7%

BY OUR FINANCIAL STAFF

SOCIETE GENERALE DE BANQUE, Belgium's largest banking group, has boosted net profits for 1982 by 12.7 per cent to BFr 2.21bn ($46.3m) and recommended maintaining the dividend on old shares at an unchanged BFr 225.

SGB has also proposed setting the dividend on the 1.2m shares created in 1982 to take advantage of new tax laws at BFr 131.25.

M Eric de Villegas de Clercamp, the bank's president, said the bank had no intention of further boosting its capital in 1983. However, he said the bank was looking into possibilities to allow for the conversion of 1979 bonds into shares.

M de Villegas reported a non-consolidated balance sheet increase of 14.1 per cent to BFr 1,280bn and a 15 per cent increase of customers' deposits and cash certificate subscriptions to BFr 686bn. Bankers' deposits rose BFr 53bn to BFr 481bn.

Total credit facilities granted to the private sector and international bodies only rose by BFr 32.3bn, or 5.1 per cent, to BFr 662bn, compared with a BFr 68.3bn increase the previous year.

In contrast, facilities granted to the Belgian public sector rose by BFr 78bn, or 26.7 per cent, to a total of BFr 370.5bn. This compares with a BFr 36.2bn rise the previous year.

M de Villegas said gross profits in 1982 amounted to BFr 8.9bn, up 31.8 per cent from the previous year. However, allocations to provision accounts and for various asset depreciations also rose considerably, up 57.4 per cent to BFr 5.95bn, the president added.

Issue for AT & T could bring in record $1.17bn

BY PAUL TAYLOR IN NEW YORK

AMERICAN TELEPHONE and Telegraph, the U.S. telecommunications group, yesterday detailed its next mammoth share issue which could set a new equity issue record.

AT & T said it plans to offer 16m shares and is again providing underwriters with an option to sell up to a further 1.6m shares should the issue be oversubscribed.

If the full 17.6m shares were sold it would raise about $1.17bn based upon the current share price of $66⅜. This would top AT & T's last issue in December when the company raised $1.06bn through the issue of 17.7m shares including 1.2m additional shares authorised because the initial 16.5m issue was oversubscribed.

The latest issue, which AT & T said will be made "in the near future" and which the company expects to be its only public issue this year, will be made through a nationwide group of underwriters led by Morgan Stanley, Goldman Sachs, E. F. Hutton, Merrill Lynch and Salomon Brothers.

AT & T has added E. F. Hutton and Goldman Sachs to the co-managers for the latest issue, dropping Blyth Eastman Paine Webber and First Boston who led the December issue through a syndicate of 233 underwriters. AT & T said yesterday that there was no significance in the changes in the co-managers; the company has used all the major Wall Street investment firms during recent issues.

Earlier last year AT & T issued 10m shares in two tranches under the Securities and Exchange Commission's shelf registration procedure. Together the issues raised $568m.

Sharp setback at Wardley

BY OUR FINANCIAL STAFF

PROFITS DECLINED sharply at Wardley, the merchant banking subsidiary of Hongkong and Shanghai Banking Corporation, in the year ended December. Net profits fell to HK$164m (U.S.$24.8m) from HK$201m a year earlier.

Wardley said that "prudent provisions have been made in respect of a number of local advances. Wardley's parent has also undertaken to hold Wardley covered against certain accounts."

The merchant bank has been deeply caught up in the precipitous fall in the Hong Kong real estate and shipping sectors, acting as an advisor on a number of major debt restructuring such as Eda and Carrian, two failed property companies.

The results announcement made no mention of a dividend although Wardley made a total payout of HK$135m a year earlier. Total assets at year end were HK$20.5bn against HK$16.3bn at December, 1981. Funds managed by Wardley grew in the year to more than U.S.$2.5bn.

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Solid growth at Heineken

HEINEKEN, the Dutch brewery group, has announced a 27.2 per cent increase in net profits in 1982 to Fl153.2m ($57.1m) from Fl120.4m, on sales which rose 16.6 per cent to Fl4.2bn ($1.57bn) from Fl3.6bn in 1981. Net profit per Fl25 nominal share rose to Fl10.60 from Fl8.33, writes our Financial Staff.

The board will propose an unchanged dividend of Fl3.50 for the full year. Shareholders will also be asked to approve a one-for-three scrip issue

Higher lending margins lift ABN

BY OUR FINANCIAL STAFF

ALGEMENE BANK Nederland, the largest Dutch bank, yesterday reported a 17.2 per cent increase in profit before provisions and taxation to Fl 1.17bn ($439m) from Fl 1bn in 1981.

As a result of what ABN describes as a further deterioration of the economic situation at home and abroad, however, provisions for general contingencies have once again been substantially increased, from Fl 495m in 1981 to Fl 648m last year.

After allowing for taxation, minority interests and the previous year's undistributed profits, the bank achieved a net profit of Fl 359m, up 5.1 per cent from 1981's Fl 341.6m.

The bank attributed its increased profitability to higher lending margins and to the improvement in the stock market resulting from lower interest rates.

Net profit per nominal Fl 10 share rose slightly from Fl 46.55 to Fl 46.8, on a share capital increased by 4.8 per cent.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

LONDON STOCK EXCHANGE

Equity index fails to beat record but undertone remains strong—Gilts highest since early January

Account Dealings Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 21	Mar. 3	Mar. 4	Mar. 14
Mar. 7	Mar. 17	Mar. 18	Mar. 28
Mar. 21	Apr. 7	Apr. 8	Apr. 18

* "New-time" dealings may take place from 8.30 am two business days earlier.

Promising early signs of London equities advancing to all-time records faded when institutional investors failed to commit fresh funds of any size yesterday. Although the market undertone remained strong, reflecting continuing optimism about world economic prospects and hopes that an oil price crisis will be averted, sentiment was later affected by end-Account influences involving sporadic profit-taking.

Slightly more hopeful domestic labour and industrial news also militated against a major setback in blue chip and other quality shares. Investment thoughts were turning more to the Chancellor's Budget proposals, due on March 15 which falls in the final leg of the trading Account starting on Monday. However, interest after yesterday's official 3.30 pm close, when business is permitted without penalty for the new trading period, was muted owing to Wall Street's early dullness yesterday.

Concern about heavy losses sustained because of the fall from grace of speculative/situation stocks remained, but was less evident than earlier in the week. Dramatic movements such as Polly Peck's tumble this week from £32½ to £15, will, it is generally agreed, cause much embarrassment but not insurmountable difficulties. Wearwell and Cornell, the two Polly Peck associates, along with a host of other high-fliers have also suffered badly.

Measuring the day's performance, the FT Industrial Ordinary share index made an inter-day record of 662.8 at the first calculation, was 3.1 down on balance at 2 pm and closed a net 1.3 off at 660.3; over the week, the index retained a gain of 21.1.

Sterling exchange rate considerations were temporarily pushed aside as investors in Government securities became enthused by sharply lower UK money market rates yesterday. Longer-dated Gilts were again the main beneficiaries. Revived demand easily absorbed any selling and stock became in short supply with the result that gains of a point were extended in the after-hours' trade to a maximum of 1¾. The shorts again laboured to make real upward progress, possibly because of technical influences, and closed only ⅛ better. The FT Government Securities Index gained 0.78 to 80.52, its highest since early-January.

Sedgwick firm

A rising market of late on U.S. bid speculation, Sedgwick closed a further 4 up and 12 higher on the week at 218p; the company have acquired the outstanding 40 per cent minority interest in Singelgroep Schlencker BV, one of the largest insurance broking and reinsurance agencies in the Netherlands. Elsewhere in Insurances, Hambro Life reflected a bear squeeze with a jump of 16 at 318p. Legal and General, on the other hand, relinquished 10 at 400p.

Apart from Barclays, which edged forward 2 more to 470p ahead of Monday's preliminary results, the major clearing banks drifted easier. NatWest dipped 3 to 535p and Lloyds softened a couple of pence to 470p. Foreign issues featured Hong Kong and Shanghai a few pence down at 88p; the annual figures are scheduled for next Tuesday. Manson Finance Trust revived among merchant banks, improving 5 at 36p, while Hill Samuel put on 3 to 204p.

Grainger Trust, introduced on Thursday at 205p, again traded quietly in the Unlisted Securities Market and closed 2 easier at 215p.

Budget hopes and the sharp rise in housing starts announced earlier in the week continued to boost sentiment in the Building sector which made fresh progress despite profit-taking. Bell and Sime featured with a jump of 38 to 168p on the agreed cash offer, worth 160p per share, from privately-owned J. Fleming. Barratt Developments improved 6 further to 536p and Bellway 4 more to 132p, while Baggeridge, 76p, and Nottingham Brick, 250p, rose 6 and 5 respectively. Costain advanced afresh to 212p, up 8, and Newarthill gained 10 further to 645p. Against the trend, Derek Crouch fell 10 to 85p following comment on the preliminary figures. Blue Circle also trended easier at 407p, down 6, but holding a week's rise of 24.

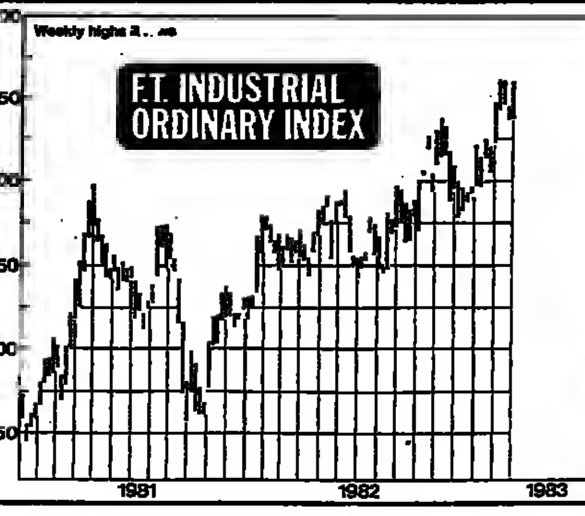
Woolworth dip and rally

Leading Stores drifted lower for want of attention, although a slightly firmer tone developed after the official close and losses were usually restricted to a penny or two. Woolworth, down to 252p following cautious comment in the Financial Times, rallied late to close a net penny to the good and 31 up on the week at a new peak of 258p. UDS eased a penny to 119p; Bassishaw's cash offer of 114p cash per share has been extended until March 17 following only minimal acceptances.

Selected secondary counters continued to display useful gains. Waring and Gillow remained to the fore and advanced 8 for a gain on the week of 24 at 94p. Lee Cooper, 123p, and Martin Ford, 25p, rose 11 and 4 respectively.

Among Shoes, Headlam Sims and Coggins firmed 2½ to 43½p following a Press mention.

Electrical leaders passed a quietly firm session. Racal rose 7 to 469p and Thorn EMI, on Budget hopes, gained 5 more to a 1982-83 peak of 492p. Still attracting buyers ahead of preliminary figures scheduled for March 23, BICC hardened 2 for a gain on the week of 25 to 285p. Elsewhere, Cable and Wireless rose 10 to 402p following investment buying, while improvements of 8 and 10 respectively were seen in Jones Stroud, 118p, and Sound Diffusion, 278p. Awaiting next Monday's interim statement, George H. Scholes put on 7 at 420p. Amstrad firmed 15 to 455p and Security Tag Systems 35 to 710p in thin markets. Pifco issues revived, the Ordinary rising 9 to 212p and the A 7 to 210p. End-account profit-taking saw Arlen drop to 310p before closing 7 down on the day at 316p. Continental Microwave cheapened 5 to 725p, after 710p, following the interim figures.



Still benefiting from the proposed $29m acquisition of White Consolidated Industries of the U.S., Spirax-Sarco advanced 15 for a two-day rise of 36 to 210p. Elsewhere in the Engineering sector, Porter Chadburn were good again at 7p, up 12; it was announced yesterday that G. M. Firth and associates hold a 16.54 per cent stake in the company. Baker Perkins responded to Press mention with a rise of 4 to 91p, while Birmid Qualcast improved 2½ to 29½p on the £2.2m components orders for BL's Maestro. Glynwed encountered support and put on 4 to 103p, but Woodhouse and Rixon, which announced preliminary figures earlier in the week, turned dull at 20p, down

Tesco continued to make headway among Food Retailers and, with the aid of call option business, rose 3 for a gain on the week of 18 at 129p. Increased demand in a limited market lifted Nichols (Vimto) 15 more to 435p. Bio-Isolates were again volatile and fell to 305p before rallying to close 5 up on balance at 325p.

A dramatic Account for Mr Asil Nadir's quoted companies ended with Polly Peck reacting afresh to £14½ before closing the day only ½ off but £17½ down over the two week period at £15 after having touched £10 on the Cyprus Government's exploitation and tax charges against the company. Meanwhile, still reflecting the proposed merger with Polly Peck, Wearwell fell to 55p before closing 2 easier and 47 down on the Account at 135p. Elsewhere in miscellaneous Industrials, profittaking clipped 25 from London and Liverpool Trust at 410p and 4 more from Inter-City Investments at 30p. James Wilkes shed 10 to 290p, while Erskine House gave up 6 to 108p and Hawley relinquished 5 to 166p. Combined Technology lost 3½ to 64p and West's Group fell 8 to 88p. Courtney Pope, on the other hand, gained 6 to 85p in response to the interim results, while buying ahead of the annual figures scheduled for March 24 left Hepworth Ceramic 5 to the good at 139p.

Leisures continued to feature Pleasurama which, helped by publicity given to a broker's circular, improved 28 for a jump on the week of 63 at 543p.

Motors finished the week on a subdued note, although Lucas, still bolstered by the successful launch of the BL Maestro, firmed 5 for a gain on the week of 17 at 150p. Among Distributors, Henlys reacted on renewed profit-taking, dipping to 101p before settling for a net fall of 4 at 104p.

News International advanced 13 to 138p following the impressive first-half profits recovery. United, which is expected to announce annual results shortly, added a penny to record a gain on the week of 17 at 207p. In contrast, second thoughts about the preliminary results left greetings card manufacturers W. N. Sharpe 20 lower at 415p. Elsewhere, Ault and Wiborg, 3 down at 30p, disappointed in revealing a full-year deficit and a reduced dividend. British Printing remained nervous and shed 4 to 95p, but renewed support was noted for Jefferson Smurfit, 6 dearer at 76p, and for Carlton Communications, 18 up at 243p, the last-mentioned to record a two-day rise of 35.

Scattered profit-taking following recent firmness on cheaper money optimism left leading Properties with modest falls at the close. Elsewhere, Hammerson A lost 15 to 735, while dull Far-Eastern influences prompted falls of around 4 in HK Land, 41p, and Swire Properties, 59p.

Candecca up

Oil share continued to blow hot and cold pending the outcome of next week's full Opec meeting to agree oil prices and production quotas. Initially, the trend was easier but quotations subsequently rallied to close without much alteration on balance. BP settled with a gain of a couple of pence at 314p, after 308p, while Shell ended unaltered at 426p, after 420p. Lasmo gave up 12 to 235p awaiting preliminary results due next Thursday. Among the exploration issues, Candecca featured late with a gain of 10 to 135p, after 120p, on settlement of the Board dispute with Sceptre Resources.

Buyers continued to show interest in the Trust sector yesterday, quotations making further modest progress. Broadstone, 338p, and Family Investment, 148p, rose 4 apiece, while Murray Clydesdale closed 3 up at 101p. Among Financials, Exco gave up 15 to 600p, but Yelverton put on 3 more to 56p.

P & O Deferred reacted to 136p on end-Account profit-taking before recovering to close a penny easier on the day at 138p. Elsewhere in Shippings, Ocean Transport firmed 3 to 83p.

In Textiles, Lister eased to 38p before settling for a net penny fall at 40p following the substantial first-half loss. Carpets International, however, attracted revived interest and firmed 2½ to 16½p following the proposed offer-for-sale of its U.S. associate Interface Flooring Systems.

Golds plummet

Mining markets closed a week of unprecedented and dramatic movements on a weak note. The bullion market was unnerved by reports of heavy overseas selling of gold and the metal price dropped to $412 an ounce before closing a net $17.5 down at $412.5—its lowest closing level since November 25.

Consequently, South African Golds endured another traumatic session. Heavily marked down at the outset with hardly a buyer in sight as bullion began its latest slide the market moved progressively lower until midday when prices staged a rapid, albeit brief, recovery on American bear closing.

Subsequent activity was confined to modest selling from London and the U.S. and prices fell further to close around the day's lowest levels.

The Gold Mines index, which this week has posted its biggest ever one day fall and rise, collapsed 45.9 to 578.2; Monday saw the index slump a record 62.8 to 563.9 while Wednesday brought about an equally rapid recovery of 57.6 to 627.7.

Yesterday's collapse was highlighted by the weight of selling in the top-quality stocks such as Val Reefs, which dropped almost £5 to £66¾. Randfontein dipped £3½ to £82¼, Free State Geduld £3½ to £27¼ and the marginal East Rand Proprietary £1½ to £13½.

Financials reflected the renewed heavy losses in Golds. South Africans showed falls ranging from £1¼ to £2½ common to "Amgold," £75½, Anglovaal, £45 and GFSA, £52½ while De Beers retreated 10 more to 475p and Anglo American Corporation ⅛ to £11½. Gencor dipped a like amount to £16¾ ahead of next Thursday's full-year figures.

London issues suffered from lower metal prices, a downturn in the UK equity market and nervous selling ahead of Gold Fields' interim figures which are due next Wednesday. Gold Fields dropped to 495p before settling a net 10 down at 497p, while RTZ ended 2 cheaper at 505p and Charter a similar amount easier at 228p, after 225p.

Australians remained highly sensitive ahead of today's Federal election. The market has apparently already discounted a Labor victory but this failed to prevent renewed weakness in uranium stock Pancontinental which dropped 8 more to 80p.

The leading diversified miners were little changed, but Golds came under further selling pressure which lowered Gold Mines Kalgoorlie 20 to 600p, Poseidon 17 to 273p and Central Norseman 35 to 465p. Speculative favourite Acorn Securities dropped another 20 to 112p—a two-day decline of 40, following adverse Press comment

Business in Traded Options remained at a relatively low level as operators shied away awaiting the forthcoming budget. Only 1,289 contracts were done, bringing the week's daily average to a disappointing 1,816. Lasmo, preliminary results due next week, recorded 133 calls and 100 puts, while the lower bullion price prompted some useful gains among Vaal Reefs puts: the May 100's rose 3 to $10, while the May 110's firmed 4 to $15.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 28	Mar 11	June 2	June 13
Mar 14	Mar 25	June 16	June 27
Mar 28	Apr 8	June 30	July 11

For rate indications see end of Share Information Service

Stocks favoured for the call included Polly Peck, Barris Queensway, BSR, Cons. Gold Mining Areas, GEC, Dares Estates, Crest International, Cornell, London and Liverpool, W. E. Norton, Keep Investment, Combined Technologies, Debenhams, Smith St Aubyn, Rotaprint, Jove Investment Trust Capital, Kia Ora Gold, Premier Oil, Woodside, Grainger Trust, North Kalgurli, Minet, Tesco, Fine Art Development, Lasmo, Avon Rubber, Rank Organisation, London Brick, Broken Hill Proprietary and KCA International. No puts were reported, but doubles were transacted in Lasmo, Cons. Gold Fields, Combined Technologies and London and Liverpool.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri March 4 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur March 3 Index No.	Wed March 2 Index No.	Tues March 1 Index No.	Mon Feb 28 Index No.	Year ago (approx.) Index No.	1982/83 High	1982/83 Low	Since Compilation High	Since Compilation Low
[illegible]														

FIXED INTEREST

PRICE INDICES	Fri March 4	Day's change %	Thur March 3	xd adj. today	xd adj. 1983 to date
[illegible]					

AVERAGE GROSS REDEMPTION YIELDS	Fri March 4	Thur March 3	Year ago (approx.)	1982/83 High	1982/83 Low
[illegible]					

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
[illegible]					

† Flat yield. A new list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.
CONSTITUENT CHANGE: Aberthaw Cement (02) has been deleted and replaced by Associated British Ports Holdings (45)

FINANCIAL TIMES STOCK INDICES

	Mar. 4	Mar. 3	Mar. 2	Mar. 1	Feb. 28	Feb. 25	year ago
Government Secs.	80.52	79.75	79.34	79.21	79.43	78.99	[illegible]
Fixed Interest	81.42	81.12	80.77	80.65	80.69	80.51	[illegible]
Industrial Ord.	660.3	661.5	651.2	641.5	637.7	639.2	[illegible]
Gold Mines	578.2	624.1	627.7	570.1	563.9	626.7	[illegible]
Ord. Div. Yield	4.86	4.86	4.91	4.98	5.02	5.08	[illegible]
Earnings, Yld.% (full)	10.29	10.91	10.52	10.48	10.66	10.85	[illegible]
P/E Ratio (net) (*)	11.23	11.82	11.69	11.52	11.35	11.12	[illegible]
Total bargains	23,772	24,130	24,067	23,078	[illegible]	23,847	[illegible]
Equity turnover £m.	—	291.53	246.58	200.88†	[illegible]	[illegible]	176.48
Equity bargains	—	21,388	18,714	18,275	21,359	20,045	[illegible]
Shares traded (mil.)	—	183.6	152.7	115.9	[illegible]	142.9	[illegible]

10 am 662.8. 11 am 660.7. Noon 659.8. 1 pm 658.9.
2 pm 658.5. 3 pm 659.1.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.
Latest Index 01-246 8026.
Nil = 11.05.
† Correction.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (3/11)	61.89 (6/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.72 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	662.5 (11/2/83)	518.1 (5/1/82)	662.5 (11/2/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	181.8 (22/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 3	Mar. 2
—Daily		
Gilt Edged Bargains	171.2	164.5
Equities Bargains	[illegible]	[illegible]
Value	[illegible]	[illegible]
5-day Avrge.		
Gilt Edged Bargains	172.5	178.3
Equities Bargains	[illegible]	[illegible]
Value	[illegible]	461.2

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982 based on Thursday, March 3, 1983.

Office Equipment	+ 29.51	Contracting, Construction	+ [illegible]
Motors	+ 19.39	Building Materials	+ [illegible]
Shipping and Transport	+ 17.20	Leisure	+ [illegible]
Banks	+ 16.98	Insurance (Life)	+ 7.96
Insurance Brokers	+ 16.14	All-Share Index	+ 7.22
Newspapers, Publishing	+ 15.82	Mining Finance	+ 7.26
Textiles	+ 15.77	Merchant Banks	+ 6.38
Investment Trusts	+ 15.25	Industrial Group	+ 5.71
Other Industrial Materials	+ 15.19	500 Share Index	+ 5.28
Financial Group	+ 14.08	Capital Goods	+ 6.23
Packaging and Paper	+ 13.55	Food Manufacturing	+ 4.95
Insurance (Composite)	+ 13.07	Brewers and Distillers	+ 4.81
Property	+ 12.98	Consumer Group	+ 4.35
Other Groups	+ 12.88	Tobaccos	+ 3.78
Other Consumer	+ 12.83	Oils	+ 2.73
Metals and Metal Forming	+ 12.47	Discount Houses	+ 1.72
Overseas Trading	+ 12.17	Food Retailing	+ 0.14
Gold Mines Index	+ 12.15	Engineering Contractors	− 0.73
Health and H'sehold Products	+ 12.00	Electricals	− 0.94
Chemicals	+ 10.64	Stores	− 3.29
Mechanical Engineering	+ 9.82		

RISES AND FALLS ON THE WEEK

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	92	1	4	312	102	71
Corporations, Dom. and Foreign Bonds	36	3	38	134	38	213
Industrials	287	303	757	1,461	1,156	3,999
Financial and Property	155	90	270	894	399	1,482
Oils	16	38	56	120	138	292
Plantations	6	3	13	22	16	72
Mines	17	71	61	220	275	250
Others	76	42	38	369	194	211
Totals	685	551	1,237	3,352	2,317	6,590

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (177)

BRITISH FUNDS (1)
Exch. 2½pc '87
CORPORATION LOANS (2)
Leeds 13½pc 2006 LCC 5½pc '82-84
LOANS (1)
FFI (UK Fin) 6½pc Db '81-84
AMERICANS (22)
CANADIANS (7)
BANKS (3)
[illegible]

Baxter Travenol, Bibby (J.), Brooke Watson, Cont. Group, Electrolux B, Fisons, Monsanto 5pc, R.F.D., Restmor, Trancontrl. Services, Whtmn. Reeve Angel
INSURANCES (1)
Travelers
LEISURE (2)
Pleasurama, Radio City A N.V.
MOTORS (4)
Aerospace, Gates (F. G.) [illegible]

NEW LOWS (6)

[illegible]

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	Price Earnings Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. [illegible]

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
[illegible]					

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
[illegible]							

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Arlen Elec.	165	323	−29	Fisons	87	551	+73
Bio-Isolates	133	320	−85	ICI	95	392	+18
Mellins	112	197	−39	BAT Inds.	87	655	−15
Wearwell	106	62	−26	Woolworth	87	257	+36
Lon. & Liv. Tst.	104	435	−23	Carlton Comm.	86	225	+20†
Polly Peck	101	£18½	−8¾	Glaxo	85	688	−39
Vaal Reefs	100	£71½	−a	Applied Cmptr.	82	385	+82

†Based on Friday February 25 price

Courtney Pope progresses and lifts interim

HELPED BY an improvement in profitability in the U.S. despite the continuing recession there, Courtney Pope (Holdings) has pushed up its profit from £410,000 to £480,000 for the half year ended November 30 1982.

And with earnings showing an increase from 6.54p to 7.51p, the interim dividend is being lifted from 1.2p to 1.6p net per share. The full year results are expected to be an improvement on the £921,000 attained in 1981-82, when the final dividend was 2.4p.

The directors report that capital investment in the retail industry appears to be increasing but it will probably have little impact on the current year.

Lack of industrial building has not helped the company to maintain a forward order situation, and the shopfitting activity continues to be the major area of concern.

Turnover for the half year rose by £1.75m to £14.95m. After tax of £96,000 (£82,000) the net profit came out at £384,000 (£328,000).

Chloride Group proposes stock conversion

Chloride Group proposes to convert its 7½ per cent debenture stock 1985-90 into 7½ per cent first mortgage debenture stock 1985-90. The first floating charges held by the trustee of the stock should be released and immediately replaced by first fixed charges over three freehold properties at Over Hulton and Swinton, both near Manchester and at Dagenham in Essex.

At the same time, subject to the approval of the proposals by stockholders, the group's bankers will enter into a deed of postponement to postpone the fixed and floating charges in their favour over the mortgaged premises so that they rank in point of security behind new fixed charges securing the stock.

A current valuation of the mortgaged premises shows these properties have a combined open market value of £5.58m. This would represent a "cover" of approximately 2.3 times for the outstanding balance of the stock currently £2,385,973.

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INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393
'Asset Builder' 63.9 64.1 — —

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.
Money Mngr Mar 3 55.8 58.9 — —
MM Flexible Mar 3 47.7 50.3 — —
Fixed Interest Mar 1 52.9 55.1 — —

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
Equity 208.9 210.0 — —
Fixed Interest 152.5 153.2 — —
Property 158.7 163.4 — —
Deposit 137.8 137.8 — —
Mixed 176.1 179.1 — —
Indexed Stk. 113.4 114.9 — —

London Life Managed Funds Ltd.
Equity (P.) 144.0 149.0 — —
Fixed Int. (P.) 152.9 154.0 — —
Property (P.) 116.5 120.5 — —
Deposit (P.) 115.3 115.3 — —
Mixed (P.) 138.6 142.1 — —
Indexed Stock (P.) 119.5 120.3 — —

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155
Invest. Tst. Fd. Cap. — +3.0 —
Invest. Tst. Fd. Acc. — +3.1 *0.8
Property Fund Cap. — +0.1 —
Property Fund Acc. — +0.1 *3.3
Flexible Fund Cap. — +1.3 —
Flexible Fund Acc. — +1.4 *2.8
Fixed Int. Fd. Cap. — +0.7 —
Fixed Int. Fd. Acc. — +0.7 —
Gtd. Deposit Fd. Cap. — — —
Gtd. Deposit Fd. Acc. — — —
Equity Fund Cap. — +1.9 —

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606
Property Fund 232.7 — —
Property Fund (A) 274.8 — —
Agricultural Fund 1052.7 — —
Agric. Fund (A) 1023.8 — —
Abbey Nat. Fund 222.2 — —
Abbey Nat. Fd. (A) 222.4 — —
Investment Fund 127.4 — —
Investment Fund (A) 125.9 — —
Equity Fund 394.2 — +0.2 —
Equity Fund (A) 378.0 — +0.2 —
Money Fund 206.7 +0.4 —
Money Fund (A) 238.2 +0.4 —
Actuarial Fund 201.0 — —
Gilt-edged Fund 183.5 — +1.4 —
Gilt-Edged Fd. (A) 182.3 — +1.4 —
Retire Annuity 352.7 — —
Immed. Annty 194.0 — —
International Fd. 215.3 +2.3 —

Property Gth Pens & Annuities Ltd
All Weather Ac. Uts. 237.4 250.0 — —
Inv. Fd. Uts. 254.8 — —
Pension Fd. Uts. 258.0 — —
Conv. Pens. Fd. 268.8 — —
Cnv. Pns. Cap. Ut. 205.5 — —
Man. Pens. Fd. 297.3 — —
Man. Pens. Cap. Ut. 236.4 — —
Prop. Pens. Fd. 267.6 — —
Prop. Pens. Cap. Uts. 207.2 — —
Bldg. Soc. Pen. Ut. 258.3 — —
Bldg. Soc. Cap. Ut. 124.9 — —
Gilts Pens. Fd. 158.0 +1.6 —
Gilts Pens. Fd. Cap. 141.3 +1.3 —
Equity Pens. Fd. 226.7 — — —
Equity Pens. Fd. Cap. 202.3 — — —

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Standard Life Assurance Company
3 George St., Edinburgh

Sun Alliance Insurance Group
Sun Alliance House, Horsham

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1

Vanbrugh Pensions Limited (z)
41-43, Maddox St., Ldn. W1R 9LA 01-499 4923
Managed 207.0 217.9 — —
Equity 251.3 264.6 — —
Fixed Interest 186.8 196.7 — —
Property 175.8 185.1 — —
Index Linked Gilt 110.6 116.5 — —
Guaranteed 10.12 — —
International Money 111.8 117.7 +0.2 —

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 66144
Investor Units 150.1 158.0 — —
Accum. Pen. Units 254.5 267.9 — —
Flex. Inv. Growth 150.2 155.1 — —
Future Assd Growth 65.0(A) 82.0(B) — —
Ret. Ass'd Pen. 47.37 — —

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269
Adiropa DM22.48 23.15 +0.04 —
Adiverba DM60.92 63.97 +0.02 —
Fondak DM31.08 32.64 +0.09 —
Fondis DM27.74 29.13 +0.15 —

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Albany $ Fd. (CI) $227.76 231.69 — 1.29
Next dealing March 11.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741
AHR Dollar Inc. Fd. $10.48 10.50 — 9.45
AHR Gilt Edg. Fd. 12.76 12.79 +0.07 11.34

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv: ADIML, 62/63 Queen St., EC4. 01-248 8881
Distribution Feb 25 (0.000226) (8.60% pa)

Anglover Futures Ltd. (Adv: Thomte)
c/o Mil. Bank of Bermuda 809-295 4000
NAV Jan 31 $71.254 — —

Arbuthnot Securities (C.I.) Ltd. (a)(c)(h)
P.O. Box 428, St. Helier, Jersey. 0534 76077
Dollar Income Tst (2) $1.063 1.107 +0.01 10.94
East Int'l & Energy (2) 186.6 195.6 +0.1 0.60
Gov't Secs. Tst. 80.4 83.8 +0.6 11.93
Daily Dealings based on estimates.

Frankfurt Trust Investment-GmbH
Wiesenau 1, D-6000 Frankfurt
FT-Interzins DM47.98 49.24 +0.07 —
Frankf. Effekt. Fd. DM60.27 63.44 +0.35 —

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Feb 28 $161.71 +0.12 —

G. T. Management (U.K.) Ltd.
Park Hse., 16 Finsbury Circus.
Tel: 01-628 8131. Tlx: 886100.
London Agents for:
Anchor Gilt Edge £10.16 10.22 +0.08 12.45
Anchor Int. Fd. $8.02 8.03 — 1.25
Berry Pac Fd. $56.76 — — 0.67
Berry Pac Strlg. £5.59 5.8905 — 0.89
GT Applied Science Fd. $16.45 — —
G.T. Asia Fd. $3.31 — — 1.26
G.T. Asia Sterling £34.05 35.73 — 1.47
G.T. Australia Fd. $22.15 — 4.50
G.T. Bond Fund $11.49 — +0.05 10.00
G.T. Dollar Fd. $16.80 — +0.02 4.09
G.T. Dir. (Strlg.) Fd. £25.07 25.34 +0.31 1.00
G.T. Global Tech Fd. $14.85 — —
G.T. Honshu Pathfinder $10.58 — —
G.T. Invest. Fd. $28.65 — -0.04 0.55
G.T. Japan Small Co. 18.25 — —
G.T. Technology Fd. $35.47 — — 1.28
G.T. Pacific Fd. $14.08 — +0.10 0.99
G.T. Asean HK Growth $11.10 — +0.07 1.35

Gartmore Fund Managers Ltd. Agents
2, St. Mary Axe, London, EC3. 01-623 6114

Gartmore Fund Managers (C.I.) Ltd. (a) (h)
41, Broad St., St. Helier, Jersey. 0534-73741
Gilt Fund (Jersey) Tue. 91.0 96.0 — 11.30

Gartmore Fd Managers (Far East) Ltd (a)(h)
1608 Hutchison Hse., 10 Harcourt Rd., H. Kong.
Australia Tst. Mon. $5.825 6.232 — 1.30
Japan Fd. Tue. $25.280 26.955 — 0.60
N. American Tst. Wed $23.973 25.684 — 0.40
Intl. Bond Fund Thu. $11.500 12.144 — 7.00
HK & Pac. U. Tst Fri. HK$7.057 7.536 -0.107 2.60

Gartmore Fund Managers (IOM) (a)
P.O. Box 32, Douglas, Isle of Man Tel. 0624 23911
Intl. Inc. Thu. 20.1 21.4 — —
Intl. Grth. Thu. 169.2 180.1 — 0.60

Assicurazioni GENERALI S.p.A.
P.O. Box 132, St. Peter Port, Guernsey, C.I.
Sterling Managed Fd. £136.69 143.88 +1.20 —
Dollar Mngd. Fnd. $137.22 144.44 +1.18 —

Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Granville Inv. Tst. £9.15 9.63 — 3.89
Next dealing day March 9.

Grindlays Investment Mngt. Ltd.
PO Box 414, St. Helier, Jersey. 0534 74248

Warburg Secs. (Guernsey) Ltd
P.O. Box 214, St Peter Port, Guernsey 0481 27768

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd $12.17 — +0.05 —
Agents: M. & G. Inv. Mngt. Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ⊘ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
77¾	57¾	Agric. Mt. 5pc '59-89	75	......	6.73	10.66
34½	24½	Met. Wtr. 3pc 'B'	33	......	9.85	11.72

LOANS—Continued

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Financial				
103¾	95½	FFI 14pc '83	102	......	13.72	11.30
94¾	80	FFI(UK Fn)6¾pcDb '81-84	94¾	+¼	6.75	11.30
103½	82½	Do. 10¾pc Uns.Ln. '86	100	......	10.69	11.20
105	78	Do. 11pc Uns.Ln. '88	101	+1	11.10	11.20
106	70	Do. 11¾pc Uns.Ln. '90	100	......	11.97	12.20
108¾	82	Do. 12½pc Un. Ln. 1992	100¼xd	+½	12.53	12.50
83	54	Do. 7¼pc A Deb '89-92	76	+½	9.83	11.60
79½	53	Do. 7¼pcADeb. '91-94	72xd	+½	10.07	11.80
90	62	Do. 9pc 'A' '91-94	83½xd	+1	10.78	11.65
87¼	57⅞	Do. 8¾pcLn. '92-97	79½xd	+1	11.16	11.80
		Building Societies				
101⅞	99⅝	Nat'wide 14¾% 14.3.83	100¼xd	......	—	—
102¼	99⅝	Do. 14¾pc 4.4.83	100⅞	......	14.23	12.59
102⅝	100⅛	Do. 14¾pc 25.4.83	100⅜	......	12.47	11.42
102¼	99⅞	Do. 13⅞pc 23.5.83	100½	......	15.81	11.25
102⅞	100¼	Do. 13½pc 13.6.83	100¾	......	13.83	10.88
102¾	100⅛	Do. 14pc 4.7.83	100¾	......	13.90	11.37
102¼	100⅛	Do. 13¾pc 25.7.83	100⅝	......	13.83	11.04
101½	99½	Do. 11⅞pc 15.8.83	100⅛	......	11.86	11.59
101	98⅞	Do. 11¼pc 30.8.83	100	......	11.25	11.24
101⅞	99¼	Do. 11¾pc 5.10.83	100⅞xd	......	11.96	11.13
100⅝	98¼	Do. 9⅞pc 31.10.83	98⅞	......	10.05	11.75
99¼	98	Do. 9⅞pc 28.11.83	98⅝	......	10.01	11.87
100¼	99⅜	Do. 11¼pc 19.12.83	100	......	11.25	11.26

FOREIGN BONDS & RAILS

1982/83 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
17	8	Chinese 4½pc 1898	0	−2	—	—
14	9	Do. 5pc 1912	9	−1	—	—
14	6	Do. 5pc 1913	9	......	—	—
[illegible]						

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

1982/83 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]								
315	205	Alexanders D. £1	282xd	......	20.0	—	10.1	—
£87	£43	Algemene Fl.100	£87	+7	Q26%	♦	7.4	♦
105	75	Allied Irish	105	......	Q6.3%	4.0	9.3	3.4
164	85	Ansbacher (H.) 5p	85	−2	3.5	—	5.9	—
280	200	Bk. Ireland £1	280	......	Q29.4%	—	9.1	—
3½	2	Bank Leumi	2½	......	—	—	—	—
•227	130	Bk.Leumi (UK)£1	150	......	10.15	—	10.1	—

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued.

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	75	Falcon Rh.50c	250	......	Q25c	10.3	7.0
33	18	Wankie Col. Z$1	19	......	†Q3c	1.3	19.7
28	12	Zam.Cpr.SBD0.24	25	+1	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	10	♥ACM 20c	20	+½	—	—	—
28	6	♥Argex Gld NL 25c	8	......	♦—	—	—
63	42	♥Black Hill Mins	49	......	—	—	—
151	52	♥Bond Corp	59	......	Q10c	2.3	11.5
154	58	♥Bougainville I Kina	102	−7	[illegible]	♦	1.5
273	147	♥CRA 50c	267	+5	Q5c	—	0.7
154	10	♥Carr Boyd 20c	99	−5	—	—	—
56	21½	♥Central Pacific	23	......	—	—	—
380	152	♥Crusader Oil	235	+10	—	—	—
25	7	♥Cultus Pac NL	10	+1	—	—	—
27	7	♥Eagle Corp 10c	8	......	—	—	—
23	8½	♥Endeavour 20c	12	......	—	—	—

[illegible]

Tins

[illegible]

Miscellaneous

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
135	27	♥Colby Res Corp.	105	......	—	—	—
485	170	Cons. Murch. 10c.	420	+15	Q50c	1.9	‡
8	1½	‡‡Explaura Gold	4	......	—	—	—
155	55	♥Highwood Res.	125	−5	—	—	—
£40½	£25	Homestake Mining $1	£33¾	+¼	Q40c	—	0.8
495	160	Northgate C$1	420	+20	—	—	—
552	344	R.T.Z.	505	−2	16.0	1.6	4.5
£122	£84	[illegible]	£115	−½	Q9½%	23.9	8.3
33	11	♥Sabina Inds C$1	25	......	—	—	—
17½	12½	‡Southwest Res 10p.	13	......	—	—	—
530	270	♥Tara Expln $1	465	+10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ⊕ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ⊗ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ⊕ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ⊕ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ⊕ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ∎ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	49	......
Bertrams	17½	......
Bdg'wtr. Est. 50p	485	......
Craig & Rose £1	£12	......
Finlay Pkg. 5p	30	......
Graig Ship. £1	£20	......
Higsons Brew	105	+2
Holt (Jos) 25p	690	......
I.O.M. Stm. £1	90	......
Pearce (C. H.)	£12½	......
Peel Hldgs.	172	......

IRISH

Exch. 15pc 1983	£106½	......
Nat. 9¾% 84/89	£95⅝	+⅝
Fin. 13% 97/02	£92½	+⅞
Alliance Gas	[illegible]	−6
Arnott	190	......
Carroll (P.J.)	65	......
Concrete Prods.	47	......
Heiton (Hldgs.)	15	......
Ins. Corpn. Ireland	340	......
Irish Ropes	23	......
Jacob	69	......
T.M.G.	87	−3
Unidare	42	......

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	15	House of Fraser	25	Utd. Drapery	7
BOC Grp	17	I.C.I.	26	Vickers	12
B.S.R.	5	"Imps"	10	Woolworth Hld.	35
Babcock	10	I.C.L.	8		
Barclays Bank	35	Ladbroke	16	**Property**	
Beecham	35	Legal & Gen.	28	Brit. Land	7½
Blue Circle	44	Lex Service	15	Cap. Counties	12
Boots	22	Lloyds Bank	35	Land Secs.	26
Bowaters	19	"Lots"	4	MEPC	17
Brit. Aerospace	20	London Brick	11	Peachey	10
B.A.T.	50	Lucas Inds.	12	Samuel Props.	13
Brown (J.)	4	"Mams"	12	Town & City	3
Burton Ord.	24	Mrks. & Spncr.	16		
Cadburys	11	Midland Bank	30	**Oils**	
Courtaulds	8	N.E.I.	9	Brit. Petroleum	26
Debenhams	8½	Nat. West. Bank	38	Burmah Oil	12
Distillers	20	P & O Dfd.	14	Charterhall	5
Dunlop	5½	Plessey	50	K.C.A.	8
Eagle Star	30	Racal Elect.	45	Premier	3
F.N.F.C.	4	R.H.M.	6	Shell	35
Gen. Accident	30	Rank Org. Ord.	15	Tricentrol	22
Gen. Electric	20	Reed Intnl.	25	Ultramar	42
Glaxo	65	Sears	9		
Grand Met.	25	T.I.	13	**Mines**	
G.U.S. 'A'	58	Tesco	8	Charter Cons.	20
Guardian	35	Thorn EMI	38	Cons. Gold	40
G.K.N.	25	Trust Houses	13	Lonrho	8
Hawker Sidd	30	Turner & Newall	4	Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Saturday March 5 1983

MAN IN THE NEWS

Fair shares for all

BY CARLA RAPOPORT

IT WAS A WEEK for glimmers of hope. U.S. economic indicators were up slightly, Britain's unemployment total dropped slightly and Fisons, a major UK manufacturer which had been flat on its face just two years ago, reported profits which delighted even the most hardened City cynics.

The City responded with unashamed excitement.

Watching all the hub-hub was the company's biggest booster and the man principally responsible for its turn-round, Mr John Kerridge. The 48-year-old chief executive — a down to the ground marketing

John Kerridge

man with a sense of showmanship about him — did seem a bit taken aback by the market's reaction.

"I don't the least bit doubt that people reserved judgment about us. I think they now see the seeds of growth have germinated. But I don't pretend to understand what will put 20p on our shares or take 30p off," he said. Even the "wise heads" of the City's top broking firms, he pointed out, privately admit they can't predict market reactions. "If they can't do it, how can we?"

In many ways, Kerridge deserves the market's compliments. Just two years ago, Fisons announced profits of less than £4m and cut its dividend. The wounds were just healing over on two boardroom shuffles which led to the departure of two top directors. As a manager who had come up through the ranks of the company, Kerridge wasn't the obvious choice for the chief executive's job, but he was certainly the board member with the most grit and ambition.

Raised and educated in Ipswich, Kerridge was trained in the marketing divisions of Cadbury Fry, AEI Hotpoint, and Rothmans before joining Fisons in 1967. "My favourite lesson," he said "was learning how to trade when things are changing. To me, good habits, like paying close attention to margins, are just oiling the wheels. What's important is to be responsive to change."

When he became chief executive in June, 1980, he exercised this belief on the company's core fertiliser business. The eventual sale of fertilisers improved Fisons' balance sheet and eliminated more than £1m in losses, but it was only part of Kerridge's campaign. He sold the company's art collection and moved the headquarters from Mayfair to Ipswich, slicing back on head office staff by more than half.

Turning on his remaining divisions — pharmaceuticals, horticulture and scientific equipment — he imposed a more profit-oriented, less scientific-oriented regimen on all the divisions.

"Getting out and selling harder," is how Kerridge puts it, with the emphasis on getting more out of products through newer applications and wider marketing.

Not only can a small company like Fisons be viable in the pharmaceutical market (pharmaceuticals accounted for 65 per cent of trading profits in 1982 with sales of about £125m), according to Kerridge, but he has insisted that the division has become self-financing.

As most of those pharmaceutical profits rest on the success of the company's anti-asthmatic drug, Intal, the company and Kerridge are under some pressure to prove they can keep up the pace.

He seems fairly confident, but reckons there is a fair amount of work to go. Even so, he claims not to be a workaholic and says he plays squash, although his ample girth would discount the chief executive's ability to win matches. "We've got to get on with it. One thing I do know, you don't damn well manage the business for its share price."

SURPRISE EEC LINK BY W. GERMAN LEADER ON ELECTION EVE

Kohl warns on steel aid

BY JAMES BUCHAN IN BONN

WEST GERMAN Chancellor Helmut Kohl disclosed yesterday that if he was returned to power in Sunday's General Election he would seek to link a settlement of the dispute over the European Community budget with measures to limit national subsidies to European steel industries.

Herr Kohl made a surprising link between the two sets of problems at a Press conference to round off a vigorous and occasionally poisonous campaign.

West Germany was content to remain a net contributor to the EEC budget, but wanted a quick solution to the entire question, including the British contribution, he said.

Britain and West Germany are the largest contributors to the budget, but Britain has sought revision of the rules to reduce her net payment.

Responding to claims from the badly troubled West German steel industry that it is being ruined by competition from, in the words of one steelmaker, "the united taxpayers of Europe." Herr Kohl said yesterday that in the context of the EEC budget he would press for tighter control from Brussels on subsidies to industry.

In Britain the Government has increased 1982-83 support for the British Steel Corporation from a planned £365m to £610m.

The EEC countries are committed to eliminating all subsidies to their steel industries by the end of 1985, but there has been increasing scepticism in recent months as to whether the commitment can be met because of dramatic deterioration in the finances of most steel companies, including West German ones.

Speaking as if he was certain of victory on Sunday, Herr Kohl outlined plans yesterday for foreign travel after the election, including trips to Israel, Saudi Arabia, Egypt and possibly Japan.

"Monday will be a normal working day," he said three times.

He repeated that an economic upturn, which with an appeal to traditional values has been the main theme of his campaign, "is within reach," despite the pessimism of the Opposition Social Democrats.

Figures by the Economics Ministry yesterday did much to support this contention, with industrial orders in January up 6.5 per cent over December in seasonally-adjusted, real terms.

While the Ministry warned that part of the increase could stem from an overhang from December, when the previous Government's investment bonus was still in force, the threatened failure in demand after expiry of the bonus had simply not happened.

Herr Hans-Jochen Vogel, Social Democratic Party candidate for Chancellor, also saw a "realistic chance" of victory on Sunday.

He said that his party was motivated as at no time since the 1972 election and would be helped by the 90 per cent turnout expected on Sunday.

He accused some conservatives of running a campaign of "defamation," which included an item in a right-wing newspaper last Sunday describing the young Vogel, who was like Herr Kohl a member of the Hitler Youth, as "the outstretched arm of Goebbels."

In contrast, the SPD, he said, constructively discussed the three key issues of social justice, unemployment and international security.

Pressure on French franc, Page 2

Tokyo meeting may set common standard for video cassettes

BY GUY DE JONQUIERES

MORE THAN 100 electronics, tape and camera manufacturers from several countries are expected to endorse a new common standard for the next generation of video cassette recorders (VCRs) at a meeting in Tokyo on March 28.

The new format, which will be based on an 8mm cassette tape, is intended to supersede the three incompatible VCR standards which exist today. Two of these — VHS and Betamax — were developed in Japan and the third — V-2000 — by the Dutch Philips group.

But it is uncertain how quickly manufacturers will apply the new standard, and to which products. Philips wants to press ahead with developing 8mm VCRs to replace its entire current range and is urging West Germany's Grundig and France's Thomson-Brandt to join forces with it.

Japanese companies, which have about 90 per cent of the £5bn a year world VCR market, are much more hesitant. They are reluctant to abandon their huge investments in production facilities designed to make VHS and Betamax machines. But they also fear being left behind by a switch to 8mm VCRs.

At present, they plan to use the 8mm format only for portable video cameras and recorders, due to be launched next year. None seems ready yet to make 8mm machines designed to record off-air broadcasts and play pre-recorded cassettes in the home.

That could change rapidly, however, if one of the "big four" Japanese VCR manufacturers breaks ranks and embraces the 8 mm format whole-heartedly. The four are Sony, Victor Company of Japan (JVC), Matsushita Electric and Hitachi.

Industry experts believe that Philips' strategy to press ahead with the 8 mm format will succeed only if the Japanese follow suit quickly. Piecemeal adoption of the new format could effectively only create a fourth standard

Some Japanese companies believe that Philips hopes that the 8mm format will enable it to make a fresh start in the VCR market,

Thomson expects Grundig veto

BY OUR FOREIGN STAFF

THOMSON-BRANDT, the French State-owned electrical group, expects to learn early next week that its plans to acquire Grundig, the West German electronics manufacturer, have been turned down by the West German Cartel Office. The company is not expected to make any official comment until next week, but appears increasingly resigned to the likelihood that its bid will be blocked.

Dr Wolfgang Kartte, the Cartel Office president, told a meeting in Munich that his staff were looking at the proposed deal, "very questioningly."

Grundig declined comment on the latest state of negotiations over its future last night, although it revealed that Herr Horst Rosenbaum had abruptly resigned as its chief executive for what he described as "compelling reasons." He is the fifth chief executive to have left Grundig relatively soon after joining it.

Philips, the Dutch electronics group which owns a 24.5 per cent stake in Grundig and has the right to block the sale of Grundig to a third party, said last night that rejection of Thomson-Brandt's bid would create an entirely new situation. Although Philips has consistently denied reports that it is preparing a counter-bid of its own for the 75.5 per cent of Grundig it does not own, the Dutch company appears now to be shedding some of its public caution.

"Grundig is a very good partner and a big customer. We want to see a solution which is good for Grundig and we do not want to lose our customer," Philips said last night.

It has long been expected that the West German Cartel Office would oppose the Thomson-Brandt plan to take 75.5 per cent of Grundig's equity, because of the dominant position this would give the French company in the West German television market. That would have left the two companies the option of turning to the West German Government for a decision to overrule the Cartel Office. But fears about the protectionist stance of the French Government and strong political opposition to the deal in Germany have led many observers to conclude that whichever party was in power, would veto the Grundig takeover.

European Commission officials have confirmed that Viscount Etienne Davignon, the Industry Commissioner, has been in contact with the heads of all three companies, but it is stressed that the conversations were aimed only at keeping Viscount Davignon "abreast of the situation."

Coal strike campaigners go digging for votes

By John Lloyd, Labour Editor

A CAMPAIGN to persuade Britain's mineworkers to vote for a strike in the national ballot next Tuesday is being mounted in every coalfield. But there are continuing signs that there is little desire for a fight at grass roots, or even official, level.

An appearance by Mr Arthur Scargill, the mineworkers' president, at a rally in South Wales today has been cancelled, though the rally is to go ahead either today or tomorrow.

Mr Emlyn Williams, the Welsh miners' president, said Mr Scargill's rhetorical talents would be put to better use in a less militant coalfield — though some pointed to the coincidence of the Wales/Ireland rugby international in Cardiff as possibly a more potent reason.

Area leaders, such as Mr Ray Chadburn of Nottinghamshire and Mr Peter Heathfield of North Derbyshire — both key weathervane areas — voiced optimism that the ballot would succeed. Mr Heathfield said a meeting of branch officials on Thursday had fully supported the strike call.

Rank-and-file feeling will become clearer at branch meetings this weekend. But many senior officials privately feel that the widespread evidence, at votes taken in the last week, of the miners' revolt against area strike calls without a ballot is an indication that there is no heart for a struggle.

All stress, however, that much will depend on how successful the leadership is in convincing members that a widespread programme of cuts is about to begin.

The proposed appointment to the National Coal Board chairmanship of Mr Ian MacGregor, chairman of the British Steel Corporation, has been a strong card — though that now appears less strong as doubts grow of Mr MacGregor's willingness to take the job.

National Coal Board officials, too, believe that only the MacGregor factor could save the mineworkers' leadership from a further defeat. The ostensible cause of the dispute — the closure of the Tymar-Lewis Merthyr pit in South Wales and support for the week-old strike by the Welsh mineworkers — is nowhere seen as a large enough cause to trigger national action.

Weather

UK TODAY

DRY and sunny in the south. Drizzle in the north.

SE, W, N England, S Wales
Dry with early frost and icy patches. Max 10C (50F).

Rest of UK
Drizzle with some bright intervals. Max 10C (50F).

Outlook: Mild and mostly dry, rain in the north.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	13	55	Luxmbg.	S	5	41
Algiers	S	15	59	Luxor	S	24	75
Amsdm.	S	8	46	Madeira	—	—	—
Athens	F	7	45	Madrid	C	13	55
Bahrain	S	23	73	Majorca	S	15	59
Barclno.	F	13	55	Malaga	F	16	61
Beirut	R	12	54	Malta	S	16	61
Belfast	S	7	45	M'chstr	F	6	43
Belgrd.	F	3	37	Melbne	C	28	82
Berlin	S	6	43	Mx. C.†	—	—	—
Biarritz	S	16	61	Miami†	S	16	61
Bmghm.	C	6	43	Milan	S	9	48
Blackpl.	S	7	45	Montrl.†	S	−4	25
Bordx.	S	13	55	M'sc'w	Sn	−9	16
Boulgn.	C	5	41	Munich	Fg	−1	30
Bristol	C	5	41	Nairobi	—	—	—
Brussels	S	10	50	Naples	S	12	54
Budpst.	—	—	—	Nassau	—	—	—
Cairo	F	13	55	Nwcstl.	S	8	46
Cardiff	C	6	43	N York†	F	4	37
Cas'b'ca	C	18	64	Nice	S	14	57
Cape T.	S	25	77	Nicosia	F	16	61
Chicg.†	—	—	—	Oporto	S	20	68
Cologne	C	8	46	Oslo	Fg	2	36
Cpnhgn.	F	5	41	Paris	S	11	52
Corfu	S	12	54	Perth	F	24	75
Denver†	—	—	—	Prague	S	4	39
Dublin	S	7	45	Rykjvk.	F	−2	28
Dbrvnk.	S	10	50	Rhodes	S	13	55
Ednbgh.	F	7	45	Rio J'ot	—	—	—
Faro	F	17	63	Rome	—	—	—
Florence	S	13	55	Salzbrg.	S	7	45
Frankt.	S	6	43	S'cisco†	C	11	52
Geneva	C	4	39	S. Mritz	—	—	—
Gibrltr.	F	16	61	Singapr.	S	33	91
Gl'sg'w	F	7	45	S'tiago†	—	—	—
G'msey	R	7	45	Stckhm.	C	2	36
Helsinki	C	−1	30	Strasbg.	—	—	—
H. Kong	C	19	66	Sydney	F	28	82
Innsbrk.	S	5	41	Tangier	S	17	63
Invrnss.	F	8	42	Tel Aviv	—	—	—
I.o.Man	S	7	45	Tenerife	S	17	63
Istanbul	S	1	34	Tokyo	C	8	46
Jersey	F	8	46	T'rnto†	C	1	34
Jo'burg	F	26	79	Tunis	C	14	57
L. Plms.	F	18	64	Valencia	F	16	61
Lisbon	S	17	63	Venice	S	9	48
Locarno	S	9	48	Vienna	—	—	—
London	C	6	43	Warsaw	C	0	32
L. Ang.†	F	10	50	Zurich	S	3	37

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sn—Snow.
† Noon GMT temperatures.

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Budget plans

the full 5½ per cent in view of the prospective weakness of the oil price.

The Treasury, the Bank of England and the Department of Environment are strongly opposed to raising the limit for tax relief allowance on mortgage interest on the grounds that it would distort the housing market, tend to inflate prices and add to the surge of private borrowing for consumption purposes. It would also be seen as a "rich man's" perk, since only 5 per cent of mortgages are for more than £25,000.

Downing Street argues, however, that the move would be popular in an election year, that it would help home ownership, boost the construction industry and cost only £100m-£200m. Suggestions that higher rate tax relief on mortgages should be abolished seem to have been rejected.

The Chancellor will certainly announce several smaller measures to help industry and investment. These might include tax concessions for those investing in certain unit trusts with funds specifically directed to industry.

However, a further ½ percentage point cut in the Employers' National Insurance Surcharge, at a cost of about £500m in 1983-84, seems to have sunk in the list of priorities.

Sir Geoffrey and many of his Treasury advisers think it would be a good thing to reduce industrial costs further, to rebuild profits, stimulate investment and help exports.

However, they have been persuaded that the 11 per cent depreciation of sterling since November has already aided industrial competitiveness at the cost of somewhat higher inflation this year. They fear that too rapid a rise in profits could lead to a new surge in wage claims.

The Chancellor is therefore likely to promise this measure for the future, although a final decision has yet to be taken.

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Merrill Lynch

In Washington the Internal Revenue Service said that it was its practice not to comment upon such matters. Accordingly it could neither confirm nor deny the existence of an investigation.

Under Federal law financial institutions are required to report transactions involving more than $10,000 of cash or negotiable instruments. Such reports are called currency Transaction Reports.

Investigations under this law, title 31 of the U.S. Code, can be started by the Internal Revenue Service only after receiving specific authorisation from the Treasury Department.

The case has aroused particular Press attention because Mr Donald Regan, the U.S. Treasury Secretary, was formerly chairman of Merrill Lynch and Co., the holding company for Merrill Lynch, Pierce, Fenner and Smith, until he left to join the Reagan Administration at its inception in January 1981.

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'Lifeboat'

banking system as a result of possible difficulties created for some oil-producing debtor countries.

"One would want to consider a long-term low-interest stretch-out through a new entity which would carry government guarantees."

Mr Rohatyn, who has testified before the Finance Committee of the U.S. Senate on this subject, said he did not care whether the new agency was connected to the IMF or not.

The arguments against such an agency include the fact that it could take months or years to develop; that it could run into political obstacles such as the need for approval from the U.S. Congress; and that the main emphasis of commercial and central banks in the forseeable future must be on packaging rescues for the hardest hit of the debtor nations.

THE LEX COLUMN

Markets drive on the rights

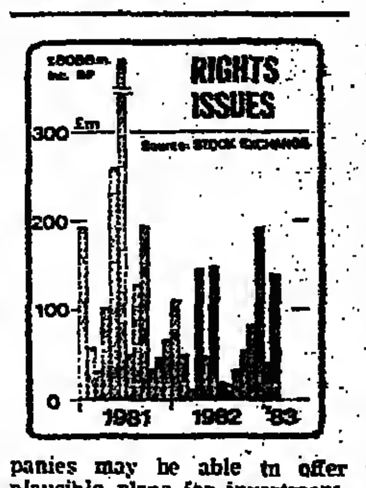
Two sizeable rights issues in the last week, raising an aggregate £48m, have been gobbled up by the stock market as though they were manna from heaven. In the case of Fisons, the shares have raced up 95p to 558p, and even Guinness Peat's offer, made from anything but a position of strength, has attracted a positive response. On this showing, there must be plenty of corporate finance directors who are now eyeing a place in the Bank of England's celebrated queue.

The present receptiveness of shareholders may partly be due to the shortage of rights issues last year, when the market was asked to absorb well under £1bn. At current rates of institutional cash flow, and with a diminishing Government borrowing requirement, the City is well capable of mopping up £1.5bn a year, and would not be overstrained by £2bn. And issues so far this year have also been offered at sizeable discounts: Magnet and Southerns, with a [illegible] profits record behind [illegible] only tickled shareholders with a 1 for 8 call at a discount of 17 per cent.

The real test for the market will come if — or when — the less favoured, recession-hit companies try their luck. Already the City is beginning to sense a flow of issues from this direction later in the year. This would accord with a perfectly normal cyclical pattern. Boom years for rights issues (1971 or 1975) usually follow slump years for profits. Companies can then approach their shareholders with stories of a recovery, when the stock market, itself caught on an up-trend, is ready to listen.

If modest industrial recovery is really just around the corner, as many City forecasts suggest, the manufacturing and engineering shares are now approaching this part of the cycle. The fall in sterling, improved export prospects, and the need to refill the stock pipeline, have raised hopes of increases in industrial profits of up to 20 per cent this year. Many of these companies should therefore be able to give some tangible evidence of a turnaround by the midsummer. But they will also be needing extra finance for expansion, and for those groups which have only survived the recession with the help of their bankers, a light, high-discount one-for-four issue on the basis of a small market capitalisation would be pointless. Since capital expansion has also been cut back in the recession, some of these companies may be able to offer plausible plans for investment-led growth: but support from the shareholders may require an act of faith.

Index fell 1.3 to 660.3



Wardley

After the 20 per cent increase in net profits at the Hang Seng Bank in 1982, shareholders in the Hongkong Bank may be doubly comforted by the very respectable performance put up by another important subsidiary, the merchant bank Wardley. Net profits have fallen by a modest 18.4 per cent to HK$164m. This is a considerable achievement given the collapse in demand for corporate finance work; in 1982 Wardley's new issue and scheme of arrangement work have dried up completely, while the values involved in mergers and acquisitions have fallen by more than 40 per cent.

Furthermore, syndicated loans which Wardley has lead managed or managed have run at a bare sixth of 1981 levels. But the achievement begins to look too good to be true considering that some HK$2.2bn of the loan book is out to companies which have run into serious financing problems — Eda, Vermillion Land and Carrian — especially since Wardley claims to have taken prudent provisions. It looks as if the parent's undertaking to cover Wardley "against certain accounts" has had a very material impact on the outcome.

News International

In the best traditions of News of the World reporters who take their leave before any embarrassment, the news from Rupert Murdoch's publishing empire in the UK and Australia stopped short of giving any explanation behind the bare interim figures. But quite clearly roles have been reversed with a £14.35m turn-round at News International coming to the aid of flagging Australian profits.

Something has been going very right in the UK though the chances are it was at Bouverie Street rather than Grays Inn Road. Earlier optimism by Times management has faded and now the aim is to chop the losses by £4m to £5m this year.

In contrast the Sun managed to rise above its heavy promotional bingo spending and despite a small cover price rise it was the only national tabloid to keep its circulation rising. Sales of the News of the World tailed off but, without £1m of launch costs on the Sunday magazine, profitability was much better.

Assuming no disaster at the Times, though a loss of around £10m is bad enough, News International should top £20m pre-tax this year. That should shore up any weakness in Australia where Corporation is likely to maintain an 11 cents payout, giving UK special dividend shareholders a 7½ per cent yield at 138p.

Corporate bonds

As the first industrial company to return to the UK corporate bond market for 10 years, BOC succeeded in getting its £100m issue away at a redemption yield margin of only 1.26 per cent over the Treasury 13½ per cent 2004/08 stock. Yesterday, the BOC stock was trading at a margin of 1.98 per cent over the gilt even though BOC's share price was close to its all-time high.

Speculators who bought the partly-paid stock in September for its gearing effect, expecting interest rates to fall further, have recorded heavy losses — and their anxiety to dump the stock before yesterday's £75 final call served to depress its price further. Their fate has been shared by the purchaser of all the corporate bonds issued in the autumn. Only MEPC's first mortgage debenture has come close to holding its own against gilts. In the halcyon days of the 1960s, it took yield margins over gilts of only 0.5 to 1.0 per cent to persuade companies to flock to the bond market. Today, with redemption yields on long-dated corporate bonds at between 12 and 14 per cent, last autumn's mini-revival of the market appears to have run out of steam. A bare £33m has been raised in two corporate issues so far this year.